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The Accounting Historians Notebook

Vol. 13, No. 2

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Fall, 1990

THE EARLY YEARS OF TAXATION IN AMERICA

by

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University of Nebraska at Omaha

Taxation by all agencies—federal, state, municipal—is regularly condemned by nearly every American citizen. However, who would sacrifice police protection, national defense, streets and highways, public education and the many other services provided by taxation dollars? Throughout history governments have had to tax to provide services and, often, to wage war. Unequal and unfair taxation has often led to revolutions.

This paper emphasizes taxation in America prior to the ratification of the Sixteenth Amendment to the Constitution in 1913. In order to understand the development of early taxation in America, it is important to examine some basic philosophies of public finance and taxation.

Philosophies of Taxation

The benefit theory of taxation was embraced in England during the 18th century as evidenced by the use of consumption taxes. It was assumed that government benefits were best measured by what

an individual consumed. Although most theorists emphasized taxes only on luxury, the parliament levied taxes on practically every necessity of life [Groves, 1974].

Adam Smith (1731-1790) was the founder of the classical school of economics. He is best known for his celebrated maxims of taxation (found in his 1776 *Wealth of Nations*), as elaborated on by Harold Groves:

First said Smith, taxes should be equal or *equitable*, falling on individuals "like the expense of management to the joint tenants of a great estate, who are obliged to contribute in proportion to their respective interest in the estate." Further, "the subjects of every state ought to contribute to the support of the government, as nearly as possible in proportion to the revenues which they respectively enjoy

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PRESIDENT'S MESSAGE

As my term as President of the Academy comes to an end, I once again want to express my appreciation to the membership for allowing me the opportunity to serve the organization. As I indicated in my earlier message, I believe that accounting history can play an integral role in accounting education and research in the decade of the 1990s. Hopefully, the activities of this year will serve to foster increased interaction between Academy members and others in academia and the profession who understand and appreciate the importance of accounting history.

While we may not have the funds to sponsor numerous conferences, the Academy can extend members' participation and interaction with other groups through joint sponsorship of conferences. Cooperation with the Center for International Education and Research at the University of Illinois resulted in an excellent conference in March. Registration for the AOS conference, cosponsored by the Academy and UNT, will bring Academy members from nine countries and thirty-two states together with postmodernist researchers to begin a dialogue about future directions of historical research. The CPE session at Toronto indicates the interest in historical research; the thirty-five participants examined a wide range of issues. The session generated many interesting suggestions for future research. The quality of the history papers at the annual meeting indicates the renewal of interest and perhaps "coming of age" of accounting history. We have the opportunity to make a significant contribution to accounting research; I hope that 1990 marks the beginning of a decade when the Academy becomes proactive in this effort.

I would like to thank each of the



volunteers who served on committees or task forces this year. Since we were at the beginning of a new decade, the charges to the chairs of many of the committees reflected long range plans in the areas of education and research. The committees' and task forces' recommendations will be presented at the key members' meeting in November and should provide an excellent basis for expanding the services of the Academy to its members in the 1990s. I also would like to express my appreciation to the officers and trustees, who have been so supportive of the programs that have been initiated this year. Their hard work ensures the necessary continuity to implement long range plans in order to meet the need of our membership.

As I reflect on the opportunities that I have had to speak with many of you at various conferences or AAA meetings this year, I am encouraged by the enthusiasm and excitement of our members. From my pragmatic perspective, I believe that we can use our historical knowledge in a proactive manner to improve and enrich accounting education and research in order to prepare accountants to meet the challenges of the twenty-first century.

Barbara D. Merino

CALL FOR PAPERS

ACCOUNTING HISTORY RESEARCH METHODOLOGY CONFERENCE

University of Mississippi

December 6-7, 1991

Statement of Purpose: An understanding of the development of accounting thought is essential to rational accounting policy setting. Accounting is a social science, and an accounting system is an expression of the society that gives rise to it. Thus, awareness of the various cultural, political, intellectual, or ideological forces that have shaped an accounting issue necessarily enhances the quality of related policy decisions. Criticism of accounting history research, however, usually centers on its one-dimensionality. Too often accounting history enumerates facts with little or no critical thought and thus fails to shed light on the intellectual or societal forces that have played a role in the issue at hand. As a result, it lacks relevance for contemporary accounting policy makers. The purpose of the 1991 conference is to provide a forum for the exchange of ideas on research methodologies (defined as critical, analytical approaches to historical research) whose incorporation into accounting history lends it substance and relevance.

Conference Structure. Papers selected for presentation will be sent to participants in advance, and discussion of papers will focus on the research methodologies employed. Papers in all areas of accounting history are welcome. Editors of several academic journals plan to attend.

Submissions should be postmarked by June 30, 1991. Revised papers must be received by October 31 for prior distribution.

Inquiries and submission of papers to:

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THE ACCOUNTING HISTORIANS NOTEBOOK

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MESSAGE FROM THE PRESIDENT-ELECT

As incoming President of the Academy for 1991, I felt it appropriate to communicate with all members concerning my aspirations for the Academy and its activities during 1991. I must say that I am deeply honoured to have been asked by my colleagues to take on this important role for the Academy, and I am looking forward to our programs and activities in 1991 with considerable enthusiasm. At the Presidential level, we have been moving increasingly in the direction of coordinating the efforts and programs of current and incoming Presidents, and to that end, President Merino and I have been in constant communication during this year. I would like to express the appreciation of all members of the Academy to President Merino and her committees and task forces for their prodigious and productive efforts throughout this year. 1990 has been a year of great progress in many of the areas of activity undertaken by the Academy. It will certainly be a great challenge to sustain the momentum that has been achieved this year and to carry it forward into 1991.

It seemed to me to be appropriate at this time to telegraph some of the major themes and directions that I shall be attempting to sponsor in the life of the Academy next year. My major theme could best be summarised as "Expanding and Intensifying Historical Research." I am keen to encourage the further upgrading of research skills amongst our accounting history community, to support new directions in historical research (such as critical, contextual and oral histories), to attract new researchers into our fold, and to press home to the general accounting research community the contemporary relevance of much historical accounting research.

In addition, I am concerned to further



strengthen the continuity and coherence that can be achieved from Presidency to Presidency. It is my belief that given our current structure of Vice-Presidents, President-Elect, and President, that it should be possible for incoming, present, and immediately past Presidents to share and discuss their visions for the Academy and to provide a degree of continuity and support for initiatives that need to be sponsored across more than one year. Therefore in 1991, in addition to the fine work already undertaken by Dick Vangermeersch and colleagues on a strategic plan for the Academy, I shall be paying further attention to Presidential discussions of their own strategic directions.

I would like to call your attention to a number of important events that will occur in 1991. I commend to your support, the Southwest Region Doctoral Consortium that has been sponsored by President Merino for March 1991. This represents an

important new initiative in developing new historical research talent under Academy auspices.

I also commend to you the Accounting History Research Methodology Conference scheduled at the University of Mississippi in December 1991. The task force responsible for this is ably chaired by Finley Graves and represents a major plank of the Academy's 1991 program. It will take place on December 6-7, 1991, and you will be hearing more on this topic as time goes by.

I would also like to encourage Academy members to consider submitting papers for the 1991 American Accounting Association Annual Meeting in the following thematic areas:

1. Accounting history research and its contemporary implications.
2. Research methodology in accounting history.
3. The historical interface of accounting with its social, political and institutional environment.

These are important areas of future development, not only for the accounting history research community, but for the accounting research community in general. I urge you, my colleagues, to take up this challenge, and to put forward research material that addresses these important contemporary issues.

In later reports, I shall be informing you of other developments and initiatives to be undertaken in 1991. For the present, I hope that this has given the flavour of just some of the work that is planned for next year. At this point I must emphasise that all of the major committees and task forces of the Academy have and will continue to have my support and encouragement for the fundamentally important work that they are doing. I thank all my fellow officers, trustees and committee members and I wish them well. Together, we shall look forward to a challenging and productive 1991.

Lee D. Parker



MANUSCRIPTS FOR THE WORKING PAPER SERIES

Horace R. Givens, Editor, for The Academy of Accounting Historians' Working Paper Series requests your help in the development of manuscripts. Submitted manuscripts do not have to be in finished form as required by academic journals, but should meet acceptable standards of documentation and reference. For information about the Working Paper Series or to submit a manuscript for consideration, contact:

Professor Horace R. Givens
Editor, Working Paper Series
28A South Stevens
University of Maine
Orono, Maine 04469

A LIBRARY SPECIALIZING IN ECONOMIC HISTORY

The Datini Institute has initiated a new venture leading to establishment of a library specializing in economic studies. The Assessorato alla Cultura approved the transfer of the Melis Collection, which is currently in the Biblioteca Lazzerinianna, to serve as the basis of the library. Melis' personal research papers maintained by the Faculty of Economy and Commerce at the Ateneo Fiorentino and additional publications from scholars connected with the Datini Institute will augment the core collection. This will be a specialist library which is destined essentially for research purposes.

IN MEMORIAL TO AN ACCOUNTING HISTORIAN

Dr. Edward Peragallo

With regret, we report the death on February 22, 1990, of Dr. Edward Peragallo, professor emeritus of accounting and economics at Holy Cross College. Dr. Peragallo was 81 years old.

Dr. Peragallo was born in New York City to Bernardo and Anita (Pellerano) Peragallo. After graduating from secondary school in Genoa, Italy, he entered Columbia University and earned a bachelor's degree in accounting in 1928, a master's degree in accounting in 1929, and a Ph.D. in economics in 1939. He received the CPA certificate in New York in 1938.

Dr. Peragallo joined the faculty at Holy Cross in 1938 and served as chairman of the Department of Economics from 1943 to 1964. Retirement from

Holy Cross came in 1979. His primary area of research was the history of accounting, and he was a long-time active member of the Academy of Accounting Historians. Beginning with his doctoral dissertation, "The Origin and Evolution of Double Entry Bookkeeping," which examined commercial practices in Italy during the Renaissance period, Dr. Peragallo has contributed much to the development of accounting history and the accounting profession. He published many articles in professional and academic journals and continued to research and to write after his retirement. Dr. Peragallo recently completed a manuscript translating "The Ledger of Giacomo Badoer," an Italian trader of the 15th century.



NOTES ABOUT ACADEMY MEMBERS

This new section of *THE NOTEBOOK* is presented in an effort to keep up with the activities of members of The Academy or recognitions they have received. Please let the editor know about presentations which involve accounting history, of awards or recognitions you or fellow Academy members have received, or of your published accounting history research in non-Academy publications.

—Dr. Terry K. Sheldahl of Savannah State College conducted an invited lecture to the Society of Philosophers at Work in the World, meeting in conjunction with the American Philosophical Association, Eastern Division, on December 28, 1989. His topic, "Objectivity for a Practicing

Historian: A Personal Review," was concerned with accounting history research.

—Dr. Dale L. Flesher of The University of Mississippi, past-president of The Academy and currently the editor of *THE ACCOUNTING HISTORIANS JOURNAL*, recently received the Leon Radde Outstanding Educator of the Year Award in the Nation from the Institute of Internal Auditors.

—Dr. Edward N. Coffman of Virginia Commonwealth University was presented with the Beta Alpha Psi 1990 Outstanding Educator of the Year Award.

—Thomas J. Nessinger of Arthur Andersen & Co. was presented with the Beta Alpha Psi 1990 Award for his outstanding contributions.

TAXATION THEORY AS AN OBJECT OF POPULAR WARTIME COMEDY IN 1779

by

J.R. Mace

University of Lancaster, UK

On May 8, 1777, Richard Brinsley Sheridan's play under the title "The School for Scandal" was performed for the first time in London, having narrowly avoided suppression, and having been granted a license by the Lord Chamberlain only the day before. Sheridan, at that time the owner, in partnership with others, of half of the patent of the Drury Lane Theatre (purchased from David Garrick in 1776), is perhaps now more widely known as a dramatist than as a politician, but in 1780, he was elected Member of Parliament for Stafford. In 1782, he became Under-Secretary for Foreign Affairs under Rockingham, and in a parliamentary career which continued to 1812, he was Secretary to the Treasury in the coalition ministry headed by the Duke of Portland, from February 21, to December 18, 1783, during which period, he addressed the House twenty-six times on matters concerning the Treasury.

Sheridan's acknowledged masterpiece was not published in printed form until some years after its first performance, but in 1779, a comedy with the same title as Sheridan's "The School for Scandal" was published in London [1]. The name of the author of this publication is unstated in the publication itself, but the dedication is to Richard Tickell, acknowledging the pleasure the author received from a perusal of Tickell's excellent pamphlet "Anticipation" [2]. This dedication claims the whole piece to be "the offspring of a few days" and explains with respect to the *dramatis personae*, that the gentleman from whom is drawn the character of

Charles, (alias Mr. King — George III) is held by the author "in the greatest esteem for the goodness of his heart, and his amiable conduct in private life," but that only the superlative abilities of a Sir Oliver (alias Lord Sh*lb**ne — Lord Shelburne) "(whose greatness of mind, depth of understanding and patriotic enthusiasm, is so well known) can extricate him from the misfortunes and difficulties he is at present involved in."

The "difficulties" are clearly those of the relationship with America, and the character in the play, Moses (alias Lord Boreas — Lord North) is the Prime Minister from 1770 to 1782, who was largely responsible for the measures that brought about the loss of America to the British Crown, being (it is said) [3] "too ready to surrender his judgement to the King's." Lord North is presented, through the medium of the play, to have been void of every qualification that is essential for one of his station, except the raising of money which he squanders in the most profuse manner by vainly attempting what he will never accomplish. "To prove what is advanced, has he ever been prosperous in anything of consequence that he has yet undertook to extricate you from those disasters into which he has immersed you?" It is said that he would tax the air we breathe rather than be deficient in money for the struggle against the American Colonies, and he is credited with the shrewd and simple scheme of proposing a bill "every season or so when his parliamentary majority is in town to lay an additional duty on all newspapers

being a luxury of life, as he calls it; and in the course of a few years it will almost amount to a prohibition; at least it will lessen the number greatly, be the means of curing the slaves of that prurient and impertinent mania of scrutinising into affairs of state and pave the way for our long wished for annihilation of typographical licentiousness."

Accountants will doubtless be intrigued (if they are not upset!) to learn too, that Lord North is said to be "adept at figures and finance; for nature never intended him a more elevated station than to stand behind a counter or scribble at a merchant's desk."

It is plausible and tempting, in view of the links to Sheridan's works and to his known views, to speculate that Sheridan was the author of this "School for Scandal," particularly as he was an aspiring politician, still in his twenties (an age when satirical instincts are perhaps at their strongest), at the height of his dramatic powers, and with a developing interest in public finance at the time of its appearance. What is more, the glowing terms of the dedication to Richard Tickell can be readily explained if Sheridan was the author, since a musical entertainment by Tickell was presented at Sheridan's Drury Lane Theatre on October 15, 1778, and on July 25, 1780. Tickell became the husband of Mary Linley, who was the sister of Sheridan's wife. Despite the circumstantial evidence favouring authorship by Sheridan, the piece is attributed in the British Museum Catalogue (with a measure of doubt indicated by the question mark) to John Leacock [4], where it is catalogued as "a satire relating to the American War of Independence, the characters having names identical with some of those in Sheridan's play of the same title, by John Leacock?"

The following extract is taken from Act 2, Scene 2, as edited to allow for the

"Charles" and the "Moses" of the original text to be replaced by George III and Lord North respectively. It is concerned with raising money to pay for the deployment of additional troops in the North American War and requires no further comment. Politics is the art of the possible, and the reader can be left to draw his own conclusions as to the longevity (and continuing obscurity) of the concepts of equity in the context of tax systems, and as to the true origins of (say) the United Kingdom Income Tax of 1799.

SCENE II — The Closet

The King and his Prime Minister discovered sitting.

George III My dear Prime Minister, there will be a vast additional number of servants in my western estate next season and I now sent for you to consult on the most proper mode of raising money without alarming my tenants.

Lord North My worthy master, nothing is more easy — there are a thousand different methods of laying on additional taxes never yet hit on — for instance, suppose we lay a tax of one shilling a year on every cat on the estate; this will not be a grievous burthen on your servants; — I guess there is about a million, which after deducting all expenses would yield you between thirty and forty thousand pounds per annum.

George III But why would you lay a tax on cats, my Lord? Would it not be more proper on race horses and dogs?

Lord North What you say, my worthy master, is very true — but you don't consider it would never pass — that would fall entirely on the tenant without affecting your servants; and that is a reason to throw it out.

George III Your objection is very just — and therefore, my Lord, let it pass — Mark down thirty thousand pounds by the cat tax.

Lord North I have Sir. — Another is, all men who wear their hair tied, five shillings a head per annum — This tax no one can cavil at, as it is entirely a luxury — 'twill bring you in about two hundred thousand pounds free of all charges.

George III You may mark that down likewise — for none who admire their pretty heads, or love dress, will amputate their hair for the trifling sum of five shillings.

Lord North The next is, every man that's between twenty-four years of age and fifty, who is unmarried, or can't show a proper certificate of his marriage, one pound per annum if a mechanic or plebeian; ten pounds if a gentleman; and twenty if in a higher rank. This will yield at least five hundred thousand pounds.

George III My Lord, this is a most excellent tax! — it will encourage population and in that, I think, I've shown my will and pleasure, by giving many beautiful examples — put it down by all means — none can make the least objection to it, unless rakes and blackguards.

Lord North Another is, a tax of one pound per annum on every lapdog; and on every lady who keeps one, ditto — this will bring in sixty thousand pounds.

George III I'm afraid My Lord, you'll draw the curses of all the old maids in the estate on you — but mark it, for I think it is a very proper one.

Lord North The next I'd propose is, a tax on every clergyman of one pound per annum for each hundred he draws from his livings above three hundred pounds.

George III Down with it, since 'tis your own proposal; for I'm sure it was not your brother that advised you to it.

Lord North Indeed it was not, Sir — but I think it fair that those who get so much money from your tenants and servants, for doing little or nothing, should largely contribute to the support of your estate; 'twill yield about forty

thousand pounds.

George III Well my Lord, there is one come into my head which you can't have the smallest objection to, after what you've said.

Lord North I certainly would not dare to make any objection to whatever tax you propose, Sir.

George III It is one, my Lord, which will cause all the others to pass without a mutter — You'll mark down a tax of five pounds per annum on every hundred above three hundred that any of my domestics enjoy by serving me — this you may estimate at one hundred thousand pounds. Since you was so eager to tax your brother, 'tis but fair you bear a little extra burthen yourself.

Lord North (aside) I wish I'd let him alone — but I've ways and means enough left to make up for that — I'll take it out of the secret service money.

(aloud) Sir, if you commanded it, I'd give with the greatest pleasure ten or twenty pounds per cent out of my salary: you cannot think it is for the sake of that vile dross I attend you! — I value not money! If I'm so fortunate as to do your honour or estate any service, 'tis all I aim at! — what are riches, without a good name?

George III I believe you are a worthy honest fellow, my Lord, but if you don't choose to do it of your own accord, let me not persuade you to it.

Lord North Choose to do it! — nothing gives me greater pleasure! — Command my fortune; 'tis at your service.

George III I'm fully satisfied with your conduct my Lord — you are a nonpareil at finance — go on.

Lord North The last is a tax on kept mistresses of -----

George III Hold, hold, my Lord — that would be too hard — you may with greater justice tax race horses and fox

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HISTORY IN PRINT

Many works involving accounting history appear in other than Academy publications during the year. These publications help us to recognize the extensive research that exists in accounting history and the many fine outlets for publishing of historical research. Readers of *The Notebook* are encouraged to help the editor to locate such publications which should be listed in this column. Readers in Asia and Australia may send their suggestions to Dr. Robert Gibson, School of Management, Deakin University, Victoria 3217 AUSTRALIA who graciously acts as intermediary.

Accounting History, Vol. 1, Nos. 1 and 2, 1989, [Selected Articles]:

Ray H. Anderson, "A History of the Queensland Division of the Australasian Institute of Cost Accountants," pp. 1-6.

Herbert Hoover, "Mining Accounts," pp. 42-43. [An unpublished manuscript c.1905 of the accounting system adopted by the firm of Bewick, Moreing and Company mining consultants on whose behalf the future American President managed the Sons of Gwalia gold mine in Western Australia.]

Wen Shuo and Stephen C. Yam, "Audit Profile: People's Republic of China," pp. 7-11.

Michele A. Sims, "The Development of Authoritative Pronouncements on Segment Reporting," pp. 19-28.

Terry S. Walter and Amy Wong, "A Review of Empirical Studies of Accounting Issues Conducted Within an Agency Framework," pp. 29-33.

Sarah J. Williams, "The Development of Statement of Accounting Standards AAS18 'Accounting for Goodwill,'" pp. 12-18.

Accounting History, Vol. 2, No. 1, 1990,

[Selected Articles]:

Ken Morris, "Company Compliance with the Regulatory Disclosure Requirements Relating to Leases," pp. 16-22.

Ross L. Watts, "The Evolution of Economics-Based Empirical Research in Accounting," pp. 1-15.

Simonetta Cavaciocchi, Editor, "Women In 13th to 18th Century Economy," Istituto Internazionale Di Storia Economica, 1990.

A Lopes De Sa, "The Cultural Responsibility of Professionals of Accounting," (approximate title of the article), *Brazilian Review of Accountancy*, (December 1989).

Annalisa Guarducci, Editor, "Economic Hierarchies and Social Hierarchies from the 12th to 18th Centuries," Istituto Internazionale Di Storia Economica, 1990.

Jean StG Kerr and R.C. Clift, Editors, *Essays in Honor of Louis Goldberg*, Department of Accounting and Business Law, University of Melbourne, Australia, 1989, [Some items included in this collection of essays.]:

G.H. Burrows, "Glimpses of AA Fitzgerald," pp. 277-296.

[Louis Goldberg], "List of Works," pp. 297-313.

Jean StG Kerr and R.C. Clift, "Louis Goldberg-Educator and Scholar," pp. 1-16.

R.H. Parker, "Regulating British Corporate Financial Reporting in the Late 19th Century," pp. 107-144.

Wolodymyr Motyka, "The Impact of Western Europe on Accounting Development in Tsarist Russia Prior to 1800," *Abacus*, (March 1990), pp. 36-62.

Gary J. Previts, Lee D. Parker, and Edward N. Coffman, "Accounting History: Definition and Relevance," *Abacus*, (March 1990), pp. 1-16.

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Wen Shuo, *The World History of Auditing*, Beijing: Audit Press of China, 1990. [This book is published in Chinese.]

B. Walker, "No Comfort from the NCSC's TEA Report, Investigation Reveals TEA Executives Know How to Manage the Profits, and NCSC Report Finds TEA Auditors were Wanting in Key Areas." *New Accountant*, (April 19, 1990), pp. 11, 26-27. [Summary regarding the collapse of the oldest trustee company in Australia.]

Year Book of Accounting History Association, No. 8, 1989, [Selected Articles]:

Hiroshi Adachi, "Accounting Control of Production Process in the Early 19th

Century America: An Original Form of Responsibility Accounting at the Springfield Armory," pp. 1-13.

Ikuo Hara, "The Regulation of the Professional Accountants in the United Kingdom," pp. 51-64.

Ryoji Hayashi, "The Static Balance Sheet Theory and Bundesfinanzhof (BFH)," pp. 38-50.

Kumiko Saito, "A Historical Study on the Soviet Bookkeeping Theories in the Beginnings of the 1930's and Their Social Backgrounds — in reference to A.M. Galagan's Theory," pp. 27-37.

Kazuo Watanabe, "Some Characteristics of A.C. Littleton's Accounting Thought in His Later Years," pp. 14-26.

MOYRA KEDSLIE RECEIVES THE MANUSCRIPT AWARD

The Academy of Accounting Historians 1990 Accounting History Manuscript Award was presented to Dr. Moyra Kedslie of the University of Hull. President Barbara Merino announced the award at the August 9, 1990, annual business meeting in Toronto. Moyra received a \$500 stipend, a certificate of recognition, and her manuscript entitled, "Mutual Self Interest — A Unifying Force: The Dominance of Societal Closure Over Social Background in the Early Professional Accounting Bodies," is to be published in the Fall 1990 issue of *The Accounting Historians Journal*.

The Accounting History Manuscript Award was established to encourage young academic scholars to engage in historical research. Accounting educators, who have received their doctorate within seven years, are eligible for this award.



BOND REFUNDING IN POSTBELLUM NEW ORLEANS: THE PREMIUM BOND PLAN

by

Joseph R. Razek
University of New Orleans

Ramasamy Odaiyappa
University of New Orleans

When the Civil War broke out, New Orleans was the leading city in the South. By 1875, New Orleans definitely was not. Like so many other Southern cities, it had fallen victim to the ravages of war and changes in patterns of trade—in this case due to the construction of a national railroad system and the subsequent decline in traffic along the Mississippi River. The assessed value of real and personal property in the City (its tax base) amounted to \$125,192,403 in 1861 (City of New Orleans, 1865, p. 18). By 1864, this amount had fallen to \$98,788,325 (Ibid, p. 19), a loss of 21% in four years of wartime inflation. Eleven years later, it had only risen to \$119,288,504 (Phillips, p. 24).

While part of the above decrease was due to the reduced valuation of real estate, the major portion was due to losses of personal property. For example, when the slaves were declared free, property assessed at \$6,609,210 was removed from the City's tax rolls at one stroke (Ibid, p. 18).

These numbers do not fully reflect the magnitude of the decline. From the following statement made in 1868 by then mayor of New Orleans, Edward Heath, it can be inferred that the dollars shown in the city's records are not federal dollars, but a form of local currency—which must have depreciated significantly during and after the Civil War. According to Mayor Heath,

"The City currency is a subject

which has painfully occupied a good deal of our attention of late. It is a paper currency which represents not precious metals, but rests solely on the credit of the city. The present city government is not responsible for its introduction. We found it in circulation when we came into office. It was the offspring of the war. It originated with the Council of 1861. It had its precedent—not a venerable one, though rather time-worn, in the shinplasters of 1836-37—a convenient kind of money, but which soon flooded the community in such quantity that the Legislature was compelled to intervene and prohibit the overissue of it." (Report to the Common Council of New Orleans, 1868)

Regretably, the expenses of running the city did not decrease, and by 1875, the bonded indebtedness of New Orleans had reached \$22,041,379 (Phillips, p. 24). The rate of taxation, which had been 15 mills in 1861, was 30 mills (Ibid, p. 4), and it was felt that in order to run the city and service this debt, a tax rate of 50 mills would be necessary (La. Laws, 1876, Act 31, Preamble)—in a city whose economy had never really recovered from the

devastation of the Civil War or the excesses of the Reconstruction.

This state of affairs did not pass unnoticed by the financial community. While the bonds issued at this time by governmental units in the Northern part of the United States typically paid interest at the rate of 5% (New York Times, 1876), those issued by the City of New Orleans paid interest at rates ranging from 7 to 10% (Hecht, p. 5). To save the City from bankruptcy, drastic measures were necessary.

THE PREMIUM BOND PLAN

The plan put forth by the City's Administrator of Finance, Mr. D.H. Adler, was known as the "Premium Bond Plan" and was designed to liquidate the City's bonded indebtedness over a 50-year period. Under this plan, which was adopted by the City Council on May 25, 1875 (New Orleans City Ordinance 3130) and ratified by the Louisiana Legislature on March 6, 1876 (La. Laws 1876, Act 31), existing bonds, whose coupon rates averaged 7½% (Phillips, p. 5), would be converted into 5% Premium Bonds—redeemable from one to fifty years in the future. One million bonds, of \$20 denomination, would be issued in 10,000 series of 100 bonds each.

To determine which bonds were to be redeemed, numbers representing each series of outstanding bonds were placed in a wheel. Four times a year, on January 31st, April 15th, July 31st and October 15th, fifty numbers, representing 50 series of bonds, were drawn from this wheel by a blindfolded orphan boy. Twice a year, on January 15th and July 15th, holders of bonds of the series drawn participated in a premium distribution (another drawing) at which 1,176 premiums, ranging from \$20 to \$5,000 (and totaling \$50,000), were distributed. All bonds which did not win any premium were paid at their par

value, plus simple interest at the rate of 5% from July 15th, 1875.

To service the bonds and finance the premiums, the City Council was authorized by the Legislature to levy a tax of one and one-half percent (15 mills) on all assessed property within the corporate limits of the City. The proceeds of this tax were to be placed into a special fund

"to be used for no other purpose than the payment of said bonds and interest on the said premiums comprised in said allotments, and the funds so raised shall be placed to the credit of an account to be called the premium bond account, and no money from said fund shall be paid out except of the joint authority of the commissioners of the consolidated debt. The said tax shall be denominated the premium bond tax, and shall be separately mentioned in the tax rolls and receipts." (La Laws, 1876, Act 31, Sec. 6.)

The Premium Bond Plan was a mixed success. As is the case today, New Orleansans love a game of chance. Here was a way to enter an honest lottery (the Louisiana lottery at this time definitely wasn't) and to perform a civic duty without losing one's investment. Many bondholders jumped at this opportunity and exchanged their old bonds, at par, for this new form of security.

Other bondholders, however, did not wish (or could not afford) to exchange securities with a high yield, which gave them income semiannually, for lower-yielding ones—on which interest would not be paid until redemption, which could be as long as 50 years in the future. The end result was that premium bonds with a face value of about \$13.5 million

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THE ACADEMY OF ACCOUNTING HISTORIANS

Trustees Meeting
Holiday Inn (Downtown) — Toronto, Canada
August 8, 1990

Present: Ashton C. Bishop, Thomas J. Burns, Edward N. Coffman, Eugene H. Flegm, Dale L. Flesher, Tonya K. Flesher, Peter McMickle, Barbara D. Merino, Gary J. Previts, Alfred R. Roberts, Elliott L. Slocum, Mary S. Stone, Rasoul H. Tondkar, Richard G. Vangermeersch, Murray C. Wells.

Dick Vangermeersch, Chairperson of the Board of Trustees, opened the meeting at 12:45 p.m. and welcomed those present.

The five-year strategic plan (long-term goals for the Academy) was discussed. This plan was developed when Ed Coffman was Chairperson of the Board of Trustees but was not approved at that time. After extensive discussion, the goals document was approved subject to several minor amendments. Dick Vangermeersch recorded the amendments and will circulate a copy to the trustees to ensure the changes were recorded correctly. After circulating, the approved document will be attached to these minutes. Also, the goals document will be published in the Fall Newsletter.

Ross Tondkar, Treasurer, presented the 1991 budget. The 1991 budget was approved subject to several amendments. Tondkar recorded the amendments. Basically, the Academy has enough funds on hand to cover two years of expenditures. No dues increase is considered necessary at this time.

Ross Tondkar raised questions about the use and restrictions of the General Endowment Fund and the Richard Vangermeersch Manuscript Award Fund.

The auditors (Ernst & Young) asked about these funds during the 1989 audit. Dick Vangermeersch, as Chairperson of the Board of Trustees, was authorized to clarify the nature and purpose of the endowment funds.

Barbara Merino was authorized to prepare a resolution thanking the University of North Texas (UNT) for their generous financial support during the past year. The resolution is to be presented at our November meeting to NTU's accounting chairperson and dean.

The meeting adjourned at 3:00 p.m.

Respectfully Submitted,
Ashton C. Bishop, Secretary AAH
August 25, 1990

ENCOURAGE DOCTORAL
STUDENTS TO JOIN THE
ACADEMY AT THE SPECIAL
STUDENT RATE OF \$7.50
PER YEAR

et al.: Accounting historians notebook, 1990, Vol. 13, no. 2

THE ACADEMY OF ACCOUNTING HISTORIANS

Trustees, Officers, and Key Members Meeting
Holiday Inn (Downtown) — Toronto, Canada
August 8, 1990

Present: Maureen H. Berry, Ashton C. Bishop, Richard P. Brief, Thomas J. Burns, Edward N. Coffman, Eugene H. Flegm, Dale L. Flesher, Tonya K. Flesher, Horace R. Givens, O. Finley Graves, Alan G. Mayper, Patti A. Mills, Peter L. McMickle, Barbara D. Merino, Gary L. Previts, Alfred R. Roberts, William D. Samson, Elliott L. Slocum, Mary S. Stone, Anthony M. Tinker, Rasoul H. Tondkar, Michael F. VanBreda, Richard G. Vangermeersch, Murray C. Wells.

Barbara Merino opened the meeting at 3:30 p.m. and welcomed those present.

Mid-year reports of officers, editors, directors, and committee and task force chairpersons were distributed prior to the meeting. Each of these individuals (or a representative) presented a summary of his/her report as time permitted.

Dale Flesher and Bill Samson designed a call for papers for the *Accounting Historians Journal*. They had 2500 copies printed for distribution (a copy was included in individual AAA registration packets). Submissions to the AHJ have been somewhat slow. Thus far:

papers accepted	6
papers rejected	22
papers in the review process	15
total submissions	43

Bill Samson is looking into publishing (through exchange agreements) more Table of Contents of other journals in the AHJ in hope of increasing submissions and membership. Patti Mills submitted nine book reviews for publication in the Spring issue. Six reviews have been completed for the Fall issue and six are still

outstanding. Additional books are needed for review.

Elliott Slocum requested that material for the Fall issue of *The Notebook* be submitted by October 1. Four articles have been submitted for publication as of now. Three of the articles are in the review process and one has been rejected. Lee Parker's 1991 plans for his presidency will be published in *The Notebook*. April 1 is the deadline for the Spring issue.

Finley Graves reported on the status of three monographs. Productions of the Paul Garner monograph should begin soon. The publication (somewhere between 300 and 350 copies) of Roger Motyka's annotated bibliography of works on accounting in prerevolution Russia was approved subject to obtaining funding. Edward Peragallo's translation of a fourteenth century ledger is still under review; the process has been complicated due to the death of the author.

Gary Previts indicated that the *Classic Series* contain six volumes. Two of the volumes were added this year, *The Growth of Arthur Andersen & Co. 1928-1973 An Oral History* (Spacek) and *Studies in Accounting* (Baxter). Dick Brief reported that sales of the first four volumes were approximately 125 copies each (150 copies printed). *Accountics* (7 volumes) will be evaluated as a possible addition to the series.

Tony Tinker reported on a very successful CPE session that was held earlier in the day. There were 36 participants. With respect to Lee Parker's plan for a two day CPE session prior to the AAA meeting

next year, it was generally agreed that two days was probably too long. Barbara Merino is going to write to Parker about this.

Tony Tinker announced that a Reading and Corresponding Group has been established in New York. He made a proposal for the establishment of regional groups at our March meeting in Denton, Texas. Details on the nature and purpose of the idea will be announced in the Fall Newsletter. Hopefully, this will encourage groups to be formed in other areas.

Michael VanBreda reported that the Education Committee is in the early stages of creating a series of "one-pagers" covering various topics that could be used in the classroom. One side of the page would contain an illustration which could be the basis for a transparency. The other side of the page would contain a short teaching note. Two people have responded with pieces so far. Dick Brief suggested that consideration be given to developing the "one-pagers" within a planned framework rather than on an as received approach.

Murray Wells (reporting for Sarah Reed) indicated that several items required attention with respect to the International Research Task Force report. With respect to the Seventh International Conference of the International Association for Accounting Education and Research to be held in Washington in 1992, Tom Burns is going to write to Jane Burns regarding possible Academy participation. Al Roberts was asked to give a status report at our November meeting on the Sixth International Congress of Accounting Historians to be held in Kyoto, Japan in 1992.

Patti Mills (North American Research Committee) indicated that Alan Richardson is pursuing the idea of an accounting history component at the 1991 Canadian Academic Accountants' Conference. Also, Stan Salvary is pursuing the possibility of

the Academy's involvement in the Economic and Business History Society conferences. With respect to the Columbus Project, the Academy is willing to publicize the call for papers. Both the AHJ and Monograph Series would be possible outlets. Papers submitted to the AHJ must be in English and would go through normal editorial process. Papers could be submitted to the Monograph Series if funding could be obtained. These papers would also have to go through the normal editorial process for a monograph. The Academy is not willing to absorb any translation cost at this time.

Gene Flegm (Endowment Committee) has received two requests for funding. Finley Graves and Lee Parker submitted a \$16,000 request for the 1991 Methodology Conference. Alan Mayper submitted a \$9,000 request for the 1991 Southwest Doctoral Consortium. No request has been submitted for 1990. Anyone with ideas was encouraged to contact the committee.

Pete McMickle indicated that he has been responsible for the book display for 12 years and would like to be relieved after next year. Discussion arose about the feasibility of continuing the book display. McMickle will study the pros and cons associated with the display and make a recommendation at our November meeting.

Tom Burns reported that the Public Relations Committee has a three-part agenda. The agenda consists of 1) preparing news releases on major events of the Academy, 2) campaigning to have notices of coming events of the Academy placed in publications that have calendars of coming accounting events, and 3) distributing "fillers" (short one or two paragraph descriptions of accounting history drawn from publications of the Academy) to newspapers.

Ed Coffman reported that the members

of the Membership Committee were responsible for obtaining 51 new members (as of June 30). Several on the committee have enrolled from 5 to 10 new members. No member of the committee has succeeded in enrolling the goal of 20 members to earn the free room award. Since the committee has been working only a few months and is an ongoing activity, it is expected that more new individual members and institutional affiliates will be obtained by the end of the year. It was agreed that the incentive period would be extended to December 31. The decision as to whether any of the incentives have been earned will be made in March 1991. Dick Brief asked about the logic behind offering incentive awards. Al Roberts noted that our bylaws prohibit the payment of compensation to officers, trustees, directors, and members of standing committees. Further discussion of this was deferred until our November meeting.

Alan Mayer has submitted a funding proposal for the proposed Southwest

Region PhD Consortium. Detail planning will begin when it is certain that funding can be obtained.

Gary Previts reported that the Accreditation Task Force is monitoring developments related to the AACSB "Accreditation Project" and the activities of the newly formed Association of Business Colleges and Schools.

Maureen Berry announced that Moyra Kedsle (University of Hull) was the winner of the Manuscript Award. The title of her manuscript is "Mutual Self Interest — A Unifying Force: The Dominance of Societal Closure over Social Background in the Early Professional Accounting Bodies."

Barbara Merino nominated Andrew Barr for Life Membership. The Life Membership was unanimously approved.

The meeting was ajourned at 5:45 p.m.

Respectfully Submitted,
Ashton C. Bishop
Secretary, AAH
September 20, 1990



THE ACADEMY OF ACCOUNTING HISTORIANS

Annual Business Meeting
Holiday Inn (Downtown) — Toronto, Canada
August 9, 1990

Approximately 45 members attended the meeting.

President Barbara Merino opened the meeting at 10:20 a.m. and welcomed those present. She highlighted events of her 1990 presidential year which included:

- 1) conducting a history session in cooperation with the Center for International Education and Research at their conference in March,
- 2) conducting a CPE session, *Is History Critical?*, prior to the annual AAA meeting in August,
- 3) co-sponsoring the *Accounting, Organizations and Society* Conference to be held in Denton, Texas this November, and
- 4) setting into motion the idea of a Southwest PhD Consortium related to history (to be planned in connection with 1991 SWFAD meeting).

Treasurer Ross Tondkar reported that the Academy is in good financial condition. No increase in dues is considered necessary at this time.

Chairperson of the Board of Trustees Dick Vangermeersch announced that the Trustees approved a set of goals (strategic plan) for the Academy at their meeting on August 8. The goals document was developed when Ed Coffman was Chairperson of the Board of Trustees. This document, which was approved subject to several amendments, will be printed in the Fall issue of *The Notebook*.

Mid-year reports of editors, directors, and committee and task force chairpersons were presented. These reports will be



published in the Fall issue of *The Notebook*.

President Merino announced that Anne Loft would be presented with the 1990 Hourglass Award for the most notable contribution to the literature. She will be recognized for her book, *Understanding Accounting in its Social and Historical Context: The Case of Cost Accounting in Britain 1914-1923* (Garland Publishing). The award will be presented at our November meeting as Loft was not present.

President Merino (reporting for Maureen Berry) announced that Moyra Kedsle was the winner of the Manuscript Award. The title of her manuscript is "Mutual Self Interest — A Unifying Force: The Dominance of Societal Closure Over Social Background in the Early Professional Accounting Bodies."

President Merino reported that the Board of Trustees, in their meeting of

August 8, has designated Andrew Barr a Life Member of the Academy. His many contributions to the Academy will be detailed in the Fall issue of *The Notebook*. Gene Flegm, Chairperson of the Nominations Committee, presented the following nominees for office:

OFFICERS NOMINEES FOR 1991:

President: Lee D. Parker (Flinders University)

President-Elect: Thomas J. Burns (Ohio State University)

First Vice-President: Tonya K. Flesher (University of Mississippi)

Second Vice-President: Peter L. McMickle (Memphis State University)

Treasurer: Rasoul (Ross) Tondkar (Virginia Commonwealth University)

Secretary: Ashton C. Bishop (James Madison University)

TRUSTEES NOMINEES FOR 1991-93:

Richard P. Brief (New York University)
Barbara D. Merino (University of North Texas)

Patti A. Mills (Indiana State University)
Richard G. Vangermeersch (University of Rhode Island)

A motion was made, seconded, and the slate was approved unanimously.

As President-Elect Lee Parker was unable to attend the meeting, a video tape prepared by him was shown to those in attendance. His major 1991 presidential theme will be "Expanding and Intensifying Research." Major elements include:

- 1) encouragement of papers for history sessions at the 1991 AAA annual meeting with specific themes of:
 - a. accounting history with contemporary implications
 - b. research methodology in accounting history
 - c. the historical interface of accounting with its social, political, and institutional environment,
- 2) supporting the planned 1991 Southwest Doctoral Consortium in

conjunction with the SWFAD meeting in Houston which has already been set in motion by President Merino,

- 3) convening of a Presidential Strategic Directions meeting prior to the 1991 annual meeting to enable President Merino, himself, and the incoming presidents for 1992 and 1993 to discuss and consider past and future presidential programs.
- 4) conducting a CPE historical workshop prior to the annual AAA meeting, and
- 5) conducting Accounting History Research Methodology Conference at the University of Mississippi in December 1991.

Dick Vangermeersch presented President Merino with a plaque in recognition of her leadership and service during her term as President of the Academy.

President Merino opened the floor for discussion. Victoria Beard asked if the Academy could in any way facilitate overseas research by members and the taking of students to overseas archives. Merino will ask the International Research Task Force to develop a list of funding sources.

The meeting was adjourned at 12 noon.

Respectfully Submitted,

Ashton C. Bishop

Secretary, AAH

September 20, 1990

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WANTED
MANUSCRIPTS AND ITEMS OF INTEREST

Anyone wishing to submit short article manuscripts, notes, cartoons, shaggy dog stories, letters to the editor, or other items to *THE ACCOUNTING HISTORIANS NOTEBOOK* should send the material for consideration to the editor, Elliott L. Slocum, School of Accountancy, Georgia State University, University Plaza, Atlanta, GA 30303.

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REPORT TO TRUSTEES, KEY MEMBERS, AND OFFICERS MEETING

TORONTO MEETING — AUGUST 1990

I offer my sincere apologies and regrets for not being able to be with you at this meeting in person. Doubtless this will cause some of you a degree of relief which I assure you will only be temporary as I am planning my personal appearance at our November meeting!

I wish to express my gratitude to President Merino, Secretary Bishop and Treasurer Tondkar for keeping me informed of developments throughout this year. I have spent considerable time reflecting on the 1990 program and formulating the directions I would like to take during my 1991 Presidency. This report is therefore an exercise in foreshadowing the directions which I am currently considering. I anticipate having the opportunity to discuss these in more detail with you at our November meeting.

My major Presidential theme will be "Expanding and Intensifying Research." In addition to being my own particular choice of theme, it represents a commitment to maintaining some consistency of momentum across different Presidencies. Barbara Merino has pursued a strong research emphasis during her Presidency this year, and I see benefits to the Academy in my continuing with that particular focus, so that we achieve a sustained focus on research over a continuous two year period.

The major elements of my 1991 Presidential Program will be as follows:

1. The encouragement of papers for the history sessions at the 1991 AAA Annual Meeting which follow the themes of:
(a) accounting history research with contemporary implications,

(b) research methodology in accounting history, and
(c) the historical interface of accounting with its social, political and institutional environment.

2. The proactive encouragement of the March 1991 doctoral symposium at the SWFAD meeting in Houston, already set in train by Barbara.

3. The convening of a Presidential Strategic Directions Meeting alongside the March 1991 meeting of key members and officers to enable Barbara Merino, myself and the incoming Presidents for 1992 and 1993 to discuss and consider our past and future Presidential programs. This is designed to pursue my concern of securing a greater degree of consistency and interlocking between Presidential programs from year to year and to allow some initiatives to gain longer term momentum over several years.

4. The convening of a two day intensive historical research workshop just prior to the 1991 annual meeting of the AAA.

5. The successful conduct of the Accounting History Research Methodology Conference at University of Mississippi in December 1991. This represents a concept developed by Finley Graves and myself when I was chair of the Academy Research Methods Committee and was expressly designed as part of my Presidential program for 1991.

With respect to the research workshop that I am proposing for running just prior to the 1991 AAA annual meeting, I enclose a copy of a suggested format. By November, I hope to have a task force in place to develop and bring to fruition this particular concept. One aspect which I would like discussed at your August meeting relates to the timing of this activity. There are two alternatives:

1. To run the workshop as part of the AAA's CPE program.
2. To run the workshop as an

Academy activity.

While I appreciate the potential advantages of running the workshop as part of the CPE program, this will limit the timing to being on the Sunday prior to the AAA sessions. Given that Academy business meetings occur on that day, the participation of a number of interested persons such as myself will be prohibited. Indeed, my Academy commitments have prevented me from attending any CPE sessions over the last few days for this very reason. Accordingly, I am more disposed towards the notion of running an intensive workshop for anywhere between 10 and 25 people for a two day period covering Friday and Saturday. Nevertheless, I feel it is important to secure reactions from key members and officers, and I would welcome feedback on this point.

With respect to the 1991 budget, I fully appreciate the important variables and constraints with which the Academy must cope. Barbara has convinced me of the care that we must take in respect of dues for 1991, but I am concerned that we should not experience a budget deficit blowout for 1991. I am therefore looking to you as my colleagues to give this your careful consideration in Toronto.

One further matter that has attracted my attention, and which relates to my 1991 research theme, are minuted discussions from the March 1990 meeting concerning the *Accounting Historians Journal* and *The Notebook*. Since I am also Editor of *Accounting, Auditing and Accountability Journal* and a board member of the new *British Historical Journal, Accounting, Business and Financial History*, edited by Dick Edwards, I may have some useful input to make to the matters discussed. I would therefore like to foreshadow my interest in pursuing these discussions further at our November meeting.

I have also picked up on the discussion

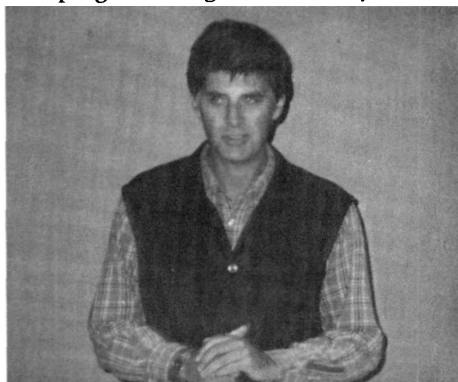
of the need for greater interest in oral history that occurred in our March 1990 meeting, and have incorporated this in part of the proposed program for the pre-AAA research workshop. I am keen to support this direction of work as part of my Presidential program for 1991.

In conclusion, I wish you all well for your continuing work for the remainder of 1990. From afar, the reports and communications reaching me suggest an impressive record of activity and achievement. I look forward to reviewing these achievements and projecting our future activities with you at our November Meeting.

Lee D. Parker

HISTORY WORKSHOP A SUCCESS

The accounting history CPE workshop entitled, "Is History Critical?" presented on August 8, 1990 in Toronto was a great success as some 35 people signed up for the program. Organizers, Tony Tinker



(Baruch College-CUNY), Ross Stewart (Seattle Pacific University), Paul Rubinoff (General Motors), and Marilyn Neimark (Baruch College-CUNY) are to be congratulated for developing a program that was certainly thought provoking. Academy president Barbara Merino (University of North Texas) served as moderator.

The workshop was designed to encourage interplay between the positivistic trends in accounting history and the

social/critical history that emanates from such writers as Marx, Adorno, Derrida, Lacan, Giddons, Held, Foucault, Jameson, Eagleton, and others. Topics for consideration included literary criticism, deconstruction, postmodernist analysis, social analysis, critical theory, and other writings. The workshop format involved small group discussion and analysis of the various issues which were reported to and considered by all the workshop participants.

PAPERS FOR INTERNATIONAL CONFERENCES: Deadlines Near

Members planning to submit papers to the Sixth International Congress of Accounting Historians or to the Third Interdisciplinary Conference should be aware that deadlines for submission are January 1991. A summary of details are as follows:

—Sixth International Congress of Accounting Historians—
August 20-22, 1992, Miyako Hotel, Kyoto, Japan.

Send papers by January 1991 to:

The Preparatory Committee of the
Sixth International Congress of
Accounting Historians
C/O Kinki University
School of Business and Economics
Professor Okitsu
3-4-1 Kowakae, Higashiosaka,
Osaka, 577, JAPAN

—Third Interdisciplinary Perspectives on
Accounting Conference— July 8-10, 1991

Send papers by January 31, 1991 to:

Peter Miller or Michael Power
Department of Accounting & Finance
London School of Economics
Houghton Street
LONDON WC2A 2AE

General inquiries and registration to:

Trevor Hopper or Linda Kirkham
Department of Accounting & Finance
University of Manchester
MANCHESTER M13 9PL
Telephone: 061 275 4014/4025

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hounds — for my own part, I think the keepers are self-taxed sufficiently by maintaining them, besides, I doubt it would ever pass — but I've improved on your hint, my Lord: — mark down a tax on every man that's married, who is found in bed with any other than his wife: — if a mechanic or plebeian, one pound; if a gentleman, ten pounds; and if in a higher rank, twenty pounds; and the half to go to the informer: — this I think you may venture to put down at three hundred thousand pounds per annum.

Lord North I most humbly thank you for your amendment — and now, Sir, we've raised upwards of a million. I'll consider on ways and means for two or three more, which, with your usual rents, will be able to maintain such a number of servants next year, as will certainly gain a complete victory over your hypocritical saints in the West.

George III I hope so, my Lord. But have you gained any more proselytes to our party this season since the opening of the kennels?

Lord North O yes, Sir; I've added eight to your list of friends — one staunch patriot, I corrupted, by promising to introduce his two daughters to your honour's wife, and get them provided either with rich husbands, or genteel places about her person: got one of his sons a commission in a new raised regiment, and the other two I put into the navy. — the rest I listed by vacant sinecures, with the promises of many more when they fell — they'll always be ready at a call; and will never go from home without leaving notice where I'll find them, in case I'm distressed at any time for a few voices. I have now, Sir, fifty-six on your menial list, who dare not refuse attending me at the kennel, any hour in the day or night: I have my messengers trained so excellently, that they can always bring forty of them at least

in less than an hour; — these, with the others of my party, who, although I have not in the same subjection, dare not speak or vote against us, will secure a considerable majority in the lower kennel; and as for the upper, we've always two or three to one there — so that if your honour has been rather unfortunate in losing ground in the West, you are in some measure recompensed, by acquiring additional friends in the lower kennel, who will not fail in granting you sufficient pecuniary supplies towards retrieving your losses. . . .

REFERENCES

- [1] "The School for Scandal, a Comedy," sold by S. Bladon, Pater-noster-row, and J. Thresher, No. 38, Duke Street, Manchester Square, at the price of one shilling and sixpence, London, 1779. See also "English Drama 1660-1800," being Catalogue 666, issued by Pickering and Chatto Ltd., London, 1987, item 662, as follows: — "[Sheridan]" The School for Scandal, A Comedy. . . London: sold by S. Bladon. . . and J. Thresher. . . First Edition 8vo in fours, pp. [viii], 62, disbound. The well-known travesty of Sheridan's play, with the *dramatis personae* clearly keyed to political figures such as 'Mr. King,' 'Lord Sh*lb*ne' and so forth."
- [2] [Tickell (Richard)] "Anticipation," containing the substance of His Majesty's Most Gracious Speech to both Houses of Parliament on the opening of the approaching session, 2nd edition, Printed for T. Becket, the Corner of the Adelphi, in the Strand, London, 1778.
- [3] *Chamber's Biographical Dictionary*, W. and R. Chambers Ltd., Edinburgh and London, 1957.
- [4] *British Museum General Catalogue of Printed Books, Ten Year Supplement 1956-1965, Vol 26, p. 716, also Vol 41, p. 459, reference CUP. 402. d. 2.*

CELEBRATION OF FOUR SCORE YEARS



The Academy of Accounting Historians hosted a reception on Wednesday, August 8, 1990, to celebrate Dr. Paul Garner's 80th birthday and to recognize Paul's many contributions to accounting history. Barbara Merino, Pete McMickle, Finley Graves, Kathy Bindon, and many others helped in the organization or in the presentations at the reception. Barbara Merino, as president of the Academy, extended congratulations to Dr. Garner and expressed the deep appreciation from the many persons who have been touched by his kindness and generosity. Dr. Garner





was presented with a birthday card signed by the approximately one hundred people attending the reception. Pete McMickle, representing the Academy, presented Dr. Garner with a copy of Soule's *NEW SCIENCE AND PRACTICE OF ACCOUNTS*, 1897, Enlarged, Fifth Edition. Kathy Bindon, representing the international section of the American Accounting Association, recounted Dr. Garner's many contributions to that section. Others of the Academy also recalled Dr. Garner's contributions to accounting history and thanked him for his many efforts. As the photos of the reception show, a good time was had and certainly many memories were shared and relived.



Razek: continued from page 13

were issued, while almost \$10 million of the old high-interest bonds remained outstanding (Phillips, p. 6).

The price of the premium bonds varied over the years. Although they were originally issued at par, their value fell to 25 cents on the dollar (or \$5 for a \$20 bond) when the constitutionality of the Premium Bond Act was questioned (Hecht, p. 9). After the Louisiana Supreme Court upheld the legality of the act by a 3 to 2 decision (Docket #7907, 32 LA. Ann 726), the price of the bonds increased rapidly.

While the Premium Bond Plan was being challenged, the City took advantage of the depressed prices of these bonds and, using monies received from the sale of certain street railway franchises, purchased over 3.5 million dollars of them on the open market—at a price averaging one-third of their par value (Hecht, p. 9). Since these bonds continued to participate in the premium drawings, the City occasionally won some of its own prizes.

Over the next five decades, the premium bonds were gradually retired. Although most of the other debts of the city were consolidated and refinanced with lower-interest securities (the "Constitutional 4's" of 1892), the premium bonds remained outstanding. In 1925, the last series of this bond issue was retired, and a unique form of financing was relegated to the annals of history.

CONCLUSION

New Orleans is still facing a financial crisis—this time because of the collapse of oil prices. Its bonds are barely investment grade, and its citizens are unwilling and/or unable to pay more property, income or sales taxes. The local desire to engage in games of chance, however, is as strong as ever. Bingo games and off-track betting thrive, and casinos and a lottery

have been major political issues for the past several years.

Why not revive the Premium Bond Plan? Here is a way to raise money for various worthy causes (e.g., teachers' salaries and a new prison) and to provide a constructive outlet for more affluent citizens' gambling instincts. Since the only "loss" to the bondholders would be a lower rate of interest, the usual arguments against lotteries would not apply (poor people don't ordinarily buy bonds). In today's environment, such a plan would be bound to succeed.

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- Docket #7907, Lucas E. Moore vs City of New Orleans et al and State ex rel. Lucas E. Moore vs City of New Orleans et al. New Orleans, May, 1880 (32 La. Ann. 726).
- Heath, E., *Report to the Common Council of New Orleans* (New Orleans: City of New Orleans, May 5, 1868).
- Hecht, R.S., *Municipal Finances of New Orleans, 1860-1916* (New Orleans, Commission Council, 1916).
- Louisiana Legislature, Louisiana Laws, 1876, Act 31 (New Orleans: Louisiana Legislature, 1876).
- New York Times* (various issues), 1876.
- Phillips, Horace P., *History of the Bonded Debt of the City of New Orleans, 1822-1933* (New Orleans, Horace P. Phillips, 1934).

TALES FROM ACCOUNTING RECORDS!

To the many who believe accounting records to be dry, mundane, uninspiring commercial exercises which summarily reflect the persona of those so engaged, I would offer my heartfelt condolence. True, accountancy is an earthy, utilitarian endeavour, but which has much about society to portend. The mind's eye, seeing only a landscape of words and figures, desolate, infertile, and lacking of joyous expression, will indeed be blinded to the life and adventures, successes and failures, joys and sorrows, and beauty and ugliness these words and figures paint of us all.

The following items are submitted by Professor Ernest Stevelinck, the 1987 Hourglass Award recipient, from his story and translations to English from French accounting records dating in the early part of this century. Apologies are extended to the original chroniclers and Professor Stevelinck for the editorial licenses taken.

REQUEST FOR REIMBURSEMENT

A reporter for a newspaper, finding himself without means of transportation in a remote area of South America, purchased a horse as a remedy of this deficiency. Upon return to his own country, the reporter prepared a statement of expenses which was presented to the cashier for reimbursement. The statement included the following:

Purchase of a horse	10,000 Fr.
Resale of this horse	6,000 Fr.
Loss on this transaction	4,000 Fr.
Total	<u>20,000 Fr.</u>

This request for reimbursement does present an interesting "cost-note" as well as application of mathematical logic.

ESTELLE OR LOVE IN THE CASH-BOOK

Professor Stevelinck, in translating the writing of Max and Alex Fischer, finds an interesting story told by excerpts from the personal cash-book of Mr. Paul Feldspath, a Morocco leather tanning wholesaler and retailer of early this century. The story is in three parts.

Part I. Business as usual.

September

10 A beret for my little Riri	2.95
11 Material for the winter-dress of my wife	32.50
12 A silk umbrella for my mother-in-law	12.00
15 Committed to my wife for the housekeeping as usual	300.00

Part II. Melle Estelle Denis

At this time, "my honest and worthy cashier," Onesime, departs the firm. With a note that "a woman should cost less," he is replaced by Melle Estelle Denis. (One would certainly note this questionable attitude.) Then business is not as usual, and a drama begins.

October

4 A new penholder for Mademoiselle Denis	.20
5 A new ink-pot, a new blotting-pad for Mademoiselle Denis	1.50
My beard (since it was Sunday)	.45
6 A lampshade of muslin and so on	4.00
7 A cushion to put under the feet of Melle Estelle	2.80
A bunch of violets and so on	3.00
My beard-iron-massage	1.45

continued on page 34

Watanabe: continued from page 1

under the protection of the state."

Taxes should be *certain* and not arbitrary, "Clear and plain to contributor and every other person. Otherwise the taxpayer may be subject to extortionate administration."

Taxes should be *convenient* as to the time and manner of their levy.

And finally, taxes should be *economical*—that is, not too expensive to collect and not unduly obstructive and discouraging to the taxpayer [Groves, 1974, p. 18].

Although Smith was not happy with excise taxes, he regarded some as necessary and suggested excluding all necessities from tariff duties (import taxes). His main contribution seems to have been the popular introduction of the ability-to-pay theory of taxation.

Musgrave and Peacock [1958] made the following observation about Adam Smith's influence:

Through most of the nineteenth century, writers in the English tradition mainly concentrated on the problem of defining "ability to pay" more exactly. Viewing the problem of taxation as more or less independent of that of determining public expenditures, their concern was with translating the principle of ability to pay into an actual pattern of tax distribution. As income came to be accepted widely as the index by which to measure ability to pay, the question became one of deciding whether taxation in accordance with ability to pay

should require regressive, proportional, or progressive taxation in relation to income [pp. ix-x].

British economist, John Stuart Mill (1806-1873) followed Smith. Mill's work was really a refinement of Smith's ideas, but Mill did an effective job of wiping out the benefit theory of taxation which was still predominant in many tax writings. His book, *Principles of Political Economy*, was first published in 1848.

He (Mill) observed that the benefit theory had usually been associated with the governmental function of protection and that this by no means encompassed all that governments were expected to do. Moreover, even in the protection function, the poor probably benefit more from government than do the rich because the former are far less capable of protecting themselves. Government must be regarded as so pre-eminently a concern of all, that to determine who are most interested in it is of no real importance [Groves, 1974, p.29].

With Mill, Smith's "taxation according to the ability to pay" became that of "taxation so as to inflict equal sacrifice." He suggested that taxation which inflicts equal sacrifice will also lead to the distribution of the tax burden which minimizes total sacrifice.

Although these two philosophers/economists were writing in England and their ideas reflected conditions in that country, many conditions were similar in the colonies and, later, the young American nation. The most striking difference was that most public dollars were raised by states and cities in America dur-

ing its early existence. The federal government, until recent times, was adequately supported by tariffs and excise taxes. The ability-to-pay doctrine was firmly implanted in the thoughts of American colonists by 1763, before Adam Smith's work was published [Becker, 1980].

Taxation in American Colonies Before the Revolution

In a discussion of the colonies' taxation policies prior to the Revolution, it is difficult to consider all of them as one group. Although each of the colonies had separate taxation policies, their commercial, farming, political activities, and geographical locations make it possible to divide them into three sub-groups—New England, the middle colonies, and the South. The following descriptions of the colonies draw from Becker's [1980] history of taxation.

New England

Property taxes were assessed by towns in New England, with taxpayers submitting their own property lists to the town selectman. Property taxes presumed the ability to pay, but assessments were often inequitable. Even as late as 1755, most residents were farmers and the colonial law-making bodies were greatly influenced by the men from the country. Assemblies passed tax laws that undervalued agricultural land and products. By the 1770's, all of the New England colonies had started to tax the non-farmers with a faculty tax which was based on the income from skills or abilities, such as those of a craftsman or tavern keeper. Poll taxes were assessed by all colonies on adult males and the amount paid was the same regardless of wealth or income. Becker pointed out that the remarkable thing about New England was not that there was so much debate over taxes, but that so little of the debate centered on the

principles of taxation. All of the colonial assemblies were firmly committed to the ability-to-pay theory. Yet the regressive nature of the poll tax and undervalued agricultural lands in property taxation was accepted with little visible protest.

Middle Colonies

Underlying the middle colonies' tax laws was the implicit principle that the interests of the wealthy landowners should be protected whenever possible (whenever the politicians could get away with it). The property tax laws of New York and Pennsylvania offered numerous loopholes to these wealthy owners of land.

The faculty tax was used less extensively here, although New Jersey and Pennsylvania taxed some occupations. New York used excise taxes and import duties to ease the property tax burden which was unpopular with rich politicians. The people of the middle colonies complained about the application of the laws, but did little to challenge their justice. This was particularly due to the fact that the taxes in both the middle colonies and in New England were a very light burden when compared to taxation in England.

South

The uniformity among the Southern colonies' tax laws was that they discriminated against the poor and favored the rich landowners who dominated the Southern legislatures. Each colony had a different mixture of poll, property and commercial (excise and faculty) taxes.

On the whole, the tax systems of the Southern colonies were more regressive and less equitable than those in the middle and New England colonies, and they departed from the ability-to-pay principle much more openly. As a result, there was greater

discontent that occasionally led to violence. And there were many more complaints not only about the application of the law but also about the nature of the taxes themselves. Men and groups that hoped to gain by tax reform fought against the legislators who drafted and protected the tax systems that so well served the interests of the great planters. Others who, for reasons of principle or interest or ambition or all three, sought to replace the existing legislative leaders and seized on discontent over taxes to rally public support [Becker, 1980, p. 182].

Taxation in the States During the Revolution

War in 1775 and the Declaration of Independence in 1776 did not bring thirteen stubborn states together. In each one the rebels had widely divergent views as to what direction the Revolution should take. Becker [1980] lists four trends that on the whole were common to all the states:

First, the rebel legislatures found that by declaring independence they had not escaped the conflicts over taxation that marked the late colonial years. These disputes had to be resolved or somehow bypassed before effective revenues could be raised to fight the war.

Second, the war raised new problems for all legislatures and created new rivalries and new interest groups, complicating the search for equitable and efficient tax

systems.

Third, the rebel governments in all sections soon faced widespread popular opposition to tax collections, opposition that ranged from petitioning and demonstrating through tax withholdings to attacking assessors and rioting. Rebel legislators had to keep the anticipated public reaction in mind as they debated tax laws, and this often reduced the efficiency of the ones they adopted.

Fourth, there were in most states during the war movements for tax reform that sought to bring under taxation income, property, and wealth that had previously gone untaxed and to reduce or eliminate taxes popularly thought to be unfair, unequal, and discriminatory against the poor and the many as opposed to the rich and the few [pp.116-117].

In New England, the structure of taxation was little changed by the Revolution. Reforms were sought by many, but almost none were granted, as the men who were in power wrote the tax law and did not allow change to be made.

In the middle states, especially New York, the war brought about substantial reform in the administration of taxes. People simply refused to pay unfair property taxes until the valuations became more equitable. Additionally, publicly-elected assessors, less vulnerable to fraud, were demanded by the majority of the taxpayers.

The Southern colonies had the most unpopular and regressive tax laws prior to the revolution, and the changes there were more pronounced than reforms elsewhere.

In North Carolina, for instance, the delegates attending the constitutional convention secured a general and equal land tax to replace the poll tax. Similar reforms were achieved in other states.

By the end of the war or shortly thereafter, four of the five southern states had taken long steps in the direction of fundamental tax reform, steps that brought their respective revenue systems more in line with the ability-to-pay ideal than they had ever been before [Becker, 1980, p. 218].

The Early Years of American Federal Taxation

In the 1780's and 90's, Alexander Hamilton, an advocate of strong federal government, as Secretary of the Treasury designed and began to put into effect a full program of excise and direct taxes to supplement the tariffs allowed to the central government by the Constitution. This program was strongly opposed by many groups and was never totally operative. Internal taxation by the federal government was infringing on the powers of the states and riots and opposition such as the Pennsylvania Whiskey Rebellion occurred. The entire excise tax and direct tax program was repealed when Jefferson became President in 1801 [Forsythe, 1977]. Previts and Merino [1979] indicated that the internal excise tax on whiskey, even though it was later withdrawn, set a precedence as the federal government had made clear its power to levy internal duties in case of need.

This need occurred during the War of 1812, when in 1813 Congress passed a package of excise taxes almost identical to Hamilton's program. These taxes were quietly and efficiently collected. "A nation in the midst of a war is more concerned with survival" [Forsythe, 1977,

p.61].

Until the Civil War the federal government secured its revenues primarily from duties on imports, the sale of surplus public lands, and the sale of public debt using treasury notes. However, large expenditures were necessary to meet the costs of the Civil War, and a new tax was levied.

Civil War Tax

Emphasis on the ability-to-pay principle resulted in the first national personal income tax in 1861:

The first law called for a flat rate of three percent on income in excess of \$800. This was changed in 1862, when a degree of progression was introduced by a levy of three percent on all incomes between \$600 and \$10,000 and a levy of 5 percent on the excess. The rates were subsequently increased to five percent on the amounts between \$600 and \$5,000 and ten percent on the excess. In 1867, however progression was abandoned and five percent was placed on incomes in excess of \$1,000. Finally in 1872, the tax was completely abandoned having yielded in the entire period some \$350 million [McKay, 1949, p. 568].

Direct taxation was prohibited to the federal government by the Constitution and the 1862 income tax law was challenged in the Supreme Court. However, it was determined at that time that income tax was within the category of an excise or duty tax.

Taxation After the Civil War

The history of the movement

for the restoration of the federal income and inheritance taxes between 1873 and 1894 is bound up with the history of the efforts of the farmers, workers and small businessmen to adjust themselves to changing economic conditions. The rise of industrial monopoly and the beginnings of financial capitalism after the Civil War accentuated the difficulties of the common man [Ratner, 1967, p. 145].

Thus, the attempt by Congress to tax personal incomes, which was revived in 1894, received the support of Western and Southern representatives. Wealthy Easterners pretended to oppose the income tax only because it was a "class tax" designed to make distinction between the rich and the poor. The 1894 law provided for a two percent tax on incomes over \$4,000.

The constitutionality of this law was also tested. In a split decision, the court was of the opinion that the law, insofar as it levied a tax on the rent or income of real estate, was in violation of the Constitution [McKay, 1949]. Therefore, federal personal income taxation was set aside until the constitutional amendment proposal by Congress in 1909. The sound ability-to-pay principle had gained much popular appeal during this period and would not be forgotten by the many non-wealthy interest groups.

In the early 1900's, the profits of gigantic industrial and commercial enterprises brought envy and discontent to the small businessman. He feared that the large corporations would force him out of business or reduce him to a subsistence level. The farmer felt he was being forced into paying higher prices for manufactured goods on the domestic market controlled by the

big corporations, while he had to sell his products in a market of world-wide competition. The industrial worker was dissatisfied with the increases in the cost of living. He received low wages which were kept low by the use of child labor, the heavy influx of immigrant labor, and the resistance of corporations to the unions [Ratner, 1967].

The workers, farmers, small businessmen, and professional men suffered frustration in their attempts to lead a rich and independent life in a society which professed democracy, but which in actuality was dominated politically and economically by an oligarchy, the captains of industry and finance, and their political henchmen, machine-party bosses. Dissatisfaction led to rebellion against vested interests and to an attempt at governmental and economic reorganization, which took on the character of a crusade for social justice [Ratner, 1967, p. 254].

Primarily as a result of demands of the groups involved in the crusade, in July, 1909, Congress agreed to a joint resolution calling for an amendment to the Constitution to give the federal government the power to tax income without apportionment among the states according to population. This income tax amendment (the Sixteenth) was ratified in 1913, and the first income tax law was enacted in October of that year. This was a dramatic change in the method of raising revenue.

In Conclusion

Everywhere history reveals that as people become more progressive, more socially minded and more mature

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economically, governments
assume new functions and
thus, of necessity, increase
their expenditures. This, in
turn, calls for increased con-
tributions in the form of
taxes. More and more we are
impressed with the fact that
man does not live and prosper
alone [McKay, 1949, p. 566].

Since the ratification of the Sixteenth Amendment, the personal income tax has been subject to continuous change and modification. Many men and women feel the complexity in tax law has become an intolerable burden and long for the days of simple regressive poll taxes and faculty taxes.

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TRUSTEES AND CURRENT MEMBERS STATE KEY ASSUMPTIONS ABOUT THE ACADEMY OF ACCOUNTING HISTORIANS

In the Spring, 1990 issue of *The Accounting Historians Notebook*, 26 tentative key assumptions were listed. These assumptions were then circulated to these groups: (1) current trustees; (2) past trustees; and (3) some key members. I then ranked these assumptions in order of strongest agreement to disagreement (#15, #26, and #18). I think you will find the rankings quite informative and very helpful in understanding the workings of the Academy.

We should strive to maintain our 501C3 status (#1) and our warm relations with the AAA (#4), as well as with ourselves (#2). While these three could be looked

at as "Motherhood" type issues, they should never be forgotten. The remaining five items in the first category represent action areas for the Trustees: continuity of The Academy (#17); continue the international flavor of The Academy (#5); a long term plan for the Academy (#20); encouraging student members at all levels (#25); and approval of the long term plans of The Academy (#16). These eight items might be classified as "imperatives" for the Trustees.

The next grouping of items gives us some ideas on guidance for operating matters. Repeat terms should be possible for the Treasurer (#22) and the Secretary

(#21). There should be a strong commitment to raising funds (#12), to warm relations with other accounting history groups (8), to flexibility in the progression of officers (#19), and to the keeping of the English language as the language of The Academy (#6). I'd use the classification of "necessities" for these items.

The next grouping could be classified as "desirable": participation in celebrating long term anniversaries (#13); warm relations with other history groups (#9) explicit policy for International Congresses (#7); advisory body for operating matters (#14); historical flavor for AACSB accreditation (#11); and independence from the AAA (#3).

The next grouping is still a positive one but with less dominating support; hence, the classification of "useful." They are: limited range of dues increase for in-

dividual members (#23); concern with all aspects of history (#10); and limited range of dues increase for institutional members (#24).

It is clear that we should not attempt to draw formal By-Laws for the Trustees of The Academy (#15), nor should we necessarily expect that The Academy be comprised predominantly of academic members (#26). It is clear that repeat terms for the president are met with less than complete enthusiasm (#18).

We now have a Strategic Plan for The Academy and have ascertained the basic assumptions underlying it. Our next task is to try to merge the Strategic Plan with our basic assumptions, so that there will be continuity and cohesiveness for both the intermediate period and the long run. We welcome your thoughts.



Tales: continued from page 27

A new tie	3.50
12 Mauve underpants, and so on	5.50
Chocolate for Mademoiselle Estelle	3.00
14 Diner for two, and so on	18.25
Two orchestra stalls at the Vaudeville	20.00
Cab-Night tariff	2.40
15 Committed to my wife for housekeeping	220.00
Three months wages paid in advance to Estelle	300.00
An umbrella for mother-in-law who has lost hers	6.75

The record continues with the elevation of "for Mademoiselle Estelle Denis" and the diminution of "for my wife, mother-in-law and Riri." However, as all seasons in their turn, this drama has its moral ending which arrives in a matter of days.

25 Committed to the agency, Dubius, Monet, Slapdache and Co. to verify the exactitude of the anonymous denonciation I have received yesterday, and to arrange the following of Estelle	20.00
--	-------

PART III — A NEW BEGINNING December

3 Stamp for a letter addressed by me to the employment bureau for engagement of a cashier, to replace Melle E. Denis	.10
4 Silk dress for my wife	180.00
For my wife, an aigrette of paradise	130.00
Two new suits for my little Riri	125.00

A wooden horse for Riri 44.20
A pair of slippers for me 3.50
An umbrella — all silk with
a gold handle — for my
excellent mother-in-law who
has yet lost hers 45.50

So as our cash-book drama closes, one
may see just a little of oneself in the pages

of Mr. Paul Feldspath. "Oh, but what of
the morals of the story"? Perhaps
enumeration of the morals are best left to
you, but it might be noted that some
things do cost more, and some days are
better than others to give presents.



THE NATURE OF THE CORPORATION

by

Kenneth S. Most

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There has been some discussion recently
of the nature of the corporation [1]. Is it,
as in the European view, essentially an ar-
tificial (not fictitious) person, endowed by
the state with certain rights and obliga-
tions? Or is it, as the author cited suggests,
simply a bundle of contractual rights and
obligations?

The origins of the corporation are ob-
viously relevant to the resolution of these
conflicting claims. I quote from
Blackstone [2]:

"The honor of originally in-
venting these political con-
stitutions entirely belongs to
the Romans. They were in-
troduced, as Plutarch says, by
Numa; who finding, upon his
accession, the city torn to
pieces by the two rival factions
of Sabines and Romans,
thought it a prudent and
political measure to subdivide
these into many smaller ones,
by instituting separate
societies of every manual trade
and profession. They were
afterwards much considered
by the civil law, in which they
were called *universitates*, as

forming one whole out of
many individuals; or *collegia*,
from being gathered together
. . . But our laws have con-
siderably refined and improv-
ed up the invention, accord-
ing to the usual genius of the
English nation; . . ."

From this, it appears that the original
function of the corporation was to provide
a social mechanism for the maintenance
of tribal customs, and that the ability to
hold property in perpetuity can be view-
ed as an ancillary purpose. This observa-
tion validates both views.

REFERENCES:

- [1] Robert Hessen, "Do Business and
Economic Historians Understand Cor-
porations," in *Essays in Economic and
Business History*, ed. Edwin J. Perkins,
University of Southern California,
1990.
- [2] Sir William Blackstone, *Commentaries
on the Laws of England*, London: T.
Cadell, Twelfth Edition, 1793, Vol. 1,
pp. 468-9.

THE STRATEGIC PLAN FOR THE ACADEMY OF ACCOUNTING HISTORIANS, 1990-1994

The stated objectives of The Academy of Accounting Historians are to:

1. Encourage Research
 2. Encourage Publication
 3. Encourage Teaching
 4. Encourage Personal Exchange
- in all areas of accounting history and to explore the interrelationships among accounting, business and economic histories from a broad environmental context.

The following discussion presents a combination of strategies, tactics, and particular activities of the Academy that are designed to move the Academy toward the accomplishment of its objectives. While many of the strategies, tactics, and activities may impact several objectives, they are, to the extent possible, identified with particular objectives.

IMPROVE COMMUNICATION AND REPORTING TECHNIQUES

It is proposed that an Operations Manual describing the duties, responsibilities, and objectives of each of the positions appearing on the organizational chart be established and distributed to all appropriate personnel. The Operations Manual should be continuously updated so that persons holding these positions in the future will have some guidance. It is important that the objectives of a given area of the Academy be coordinated with the objectives of other areas as well as with the overall objectives of the Academy.

It would be expected that officers, editors, chairpersons, and others holding key positions in the Academy would maintain adequate records of their activities during their term. These records should be submitted on a timely basis to the Archivist and/or Director of The Accounting History Research Center for inclusion in the archival materials of the

Academy that are maintained at the Center.

INCREASE MEMBERSHIP

The Academy should strive to increase membership annually. Particular attention should be given to the retention of current members. Emphasis should be placed not only upon the numeric increase in members, but upon the quality and makeup of the membership. Efforts should also be undertaken to attract more practicing and foreign members.

While membership in the Academy is of two types—regular and life—the areas from which members come are as follows (membership figures as of January 1989):

	Domestic		
	(U.S.)	Foreign	Total
Individual (academic and practitioners)	354	127	481
Institutional affiliates (college and university libraries, practitioner libraries, etc.)	203	81	284
	557	208	765

In order to undertake the types of programs and commitments that are needed to accomplish the objectives of the Academy, it is imperative that both individual members and institutional affiliates be increased.

Individual members are important in that the organization must have a pool of members who have an interest in the Academy and who are willing to devote their time and effort in assisting the organization in achieving its objectives. As indicated above, of the 765 members, approximately 481 (63%) are individual members.

Institutional affiliates are valuable in that they house the scholarly publications of the Academy and reach a wide variety

of interested readers and researchers. The Academy must continue its efforts to place its research and publications in college/university libraries and libraries of practicing accountants not only for the exposure of its materials but because institutional retention is high and provides a sound financial base to help support the Academy's activities. Particular attention also should be given to getting accounting firms to join the Academy.

The Academy should strive for an annual increase of 10% in individual members and institutional affiliates for each of the next 5 years. These increases would put the total membership of the Academy at approximately 1,232 at the end of 5 years (775 individual members; 457 institutional affiliates).

INCREASE FUNDING

The Academy should undertake activities to increase its General Endowment to \$100,000 to support accounting history research—Accounting History Research Center workshops and seminars, funded research, manuscript awards, etc. A realistic and challenging goal would be to have the \$100,000 endowment in place within the next 5 years.

IMPROVE PUBLIC RELATIONS

The activities, publications, etc. of the Academy should be more widely publicized in all circles of the profession. For example, when the Hourglass Award recipient is selected, news releases might be sent to newspapers, to newsletters of other historical and related organizations, to the GASB, and to the FASB.

ENHANCE INVOLVEMENT IN SPECIAL EVENTS

The Academy should take a more active role in major historical accounting events as it did in the AICPA Centennial. For example, the Academy might play a

role in such forthcoming events as the 75th anniversary of the NAA in 1994 and the 500th anniversary of the publication of Luca Pacioli's *Summa Arithmetica* in 1994. It is suggested that a Special Events Committee be established.

CENTRALIZE OPERATIONS

The Academy should work towards centralizing its operations. For example, the operations might be centralized at the affiliated college or university of the secretary. All back issues of the various Academy publications would be stored at this location which would mean that orders received by the secretary for these publications could be filled quickly and efficiently. This would reduce significantly the amount of correspondence among the secretary and the editors of the various publications concerning the billing and shipment of orders for back issues of the respective publications. While this would place more responsibility on the secretary, it would allow various editors more time to handle editorial functions of their publications. Of course, it would be expected that appropriate financial support would be provided to assist the secretary in carrying out these new functions.

(1) Encourage Research

The Academy should be more active in identifying research topics encouraging accounting history research, and establishing awards for research of outstanding quality.

ACCOUNTING HISTORY RESEARCH

The Academy should encourage, develop, and coordinate research programs and conferences at the Academy's research centers or other appropriate venues that are consistent with the objectives of the Academy and related to emerging subject areas. The Academy should continue to examine research methodologies used in other disciplines

and evaluate their applicability to accounting history research e.g., oral history and its feasibility in historical accounting research. It is suggested that an Accounting History Research Committee be established.

ESTABLISH ADDITIONAL AWARDS TO RECOGNIZE AS WELL AS ENCOURAGE HISTORICAL RESEARCH

In addition to the Hourglass Award and the Manuscript Award, additional awards should be established to recognize outstanding historical accounting research e.g., outstanding history paper presented at the national meeting of the AAA. Such awards would help to popularize the work of the Academy and attract young scholars who need this type of recognition for their career development.

(2) Encourage Publication

The Academy should be more active in encouraging authors to publish their research and in identifying additional means of exposing accounting history research.

PUBLICATIONS

The Academy supports a substantial publication program to provide outlets for historical research. Academy publications include *The Accounting Historians Journal*, *The Accounting Historians Notebook*, *Working Papers Series*, *Monograph Series*, *Accounting History Classics Series*. The Academy should continue these publications.

The Accounting Historians Journal is the official refereed scholarly journal of the Academy and is published in the spring and fall. It is our "flag-ship publication" and an all out effort is to be made to maintain its proven quality.

DETERMINE FEASIBILITY OF REPRINT SERVICE

The Academy should consider letting

a reprint service handle back issues of *The Accounting Historians Journal*. Reprints of the *Journal* should be made available in hard copy form as well as other forms such as microfilm.

The Accounting Historians Notebook is the official newsletter of the Academy and is published in the spring and fall. Consideration might be given to adding a section to the *Notebook* that would consist of summary articles about accounting historical works and events in other countries, particularly in the non-English-speaking countries. This would help make these materials more accessible to English-speaking accounting historians.

The Working Papers Series is a valuable outlet for publishing research in accounting history. Several of the working papers have subsequently been published (reprinted) in major journals. Currently 78 papers have been issued by the Academy of which the first 60 appear in bound Volumes 1, 2, and 3. Working papers 61-80 should be bound in Volume 4. Upon the depletion of the inventories of Volumes 1 (100), 2 (130), and 3 (500), it is suggested that Volumes 1 through 3 not be reprinted, at least for the time being, since the approximately 1,000 copies of each volume sold seem to have accommodated the initial demand.

Working papers are published on an irregular basis. However, it would seem that a realistic and challenging goal for the editor would be to publish and distribute 4 new working papers each year with a bound volume of 20 papers being published every fifth year.

The Monograph Series permits the publication of finished research that would not be appropriate for the *Accounting Historians Journal*. It is suggested that items published as monographs be self-supporting either through sales revenue or by grants made available to publish particular works or a combination thereof.

Ideally, a good candidate for publication would be one that is funded by a grant that involves a one-time mailing of the publication to a particular group (including Academy members) and with about 100 copies allotted to the Academy to service future requests e.g., *The Development of the Accountancy Profession in Britain to the Early Twentieth Century* by R.H. Parker, Monograph 5, 1986. Upon the depletion of the inventories of Monograph No. 1, 33; No. 2, 189; No. 3, 252; No. 4, 802; and No. 5, 113, it is suggested that Monographs 1 through 5 not be reprinted, at least for the time being, since the initial demand for these items seems to have been met.

The Accounting History Classics Series was established to make available notable books on accounting history at a reasonable cost and thus encourage their use in accounting history courses and other courses. It would be expected that the editor would look for new additions to the Series; however, it is suggested that such additions be self-supporting through sales revenue or by grants made available to publish the particular work or a combination thereof.

ENHANCE PROMOTION OF PUBLICATIONS

The Academy should enhance the promotion of its publications. Proper promotion is necessary in order to: (1) present scholarly research to those in the market place that have an interest and need for the materials, (2) provide the authors a stimulus to produce valuable research, and (3) let others know of the availability of the publications.

ENHANCE QUALITY CONTROL OF PUBLICATIONS

The Trustees or a subcommittee of them should review all Academy publications to assess quality, readership interest, duplication, costs, etc.

ENSURE COPYRIGHTS

Formal procedures should be established to ensure that Academy publications are copyrighted. The person responsible for this function also might be responsible for the proper channeling of Academy publications to such places as the Library of Congress, book reviewers, etc.

(3) Encourage Teaching

The Academy should do more to encourage the teaching of accounting history at the undergraduate and graduate levels.

ACCOUNTING HISTORY EDUCATION

The Academy should look into various items relating to the teaching of accounting history in undergraduate and graduate level accounting courses. For example, the Academy might determine the current status of course offerings in accounting history in colleges and universities in the U.S. and foreign countries, determine ways of integrating historical accounting materials into existing accounting courses, and prepare a model accounting history course syllabus. It is suggested that an Accounting History Education Committee be established.

ENHANCE INVOLVEMENT IN EDUCATIONAL PROCESS

The Academy should get more involved in the future direction of accounting education including the accreditation of accounting programs. Efforts should be undertaken to get accounting history recognized as an area to be covered in accredited accounting programs.

(4) Encourage Personal Exchange

The Academy should do more to provide members opportunities to exchange ideas, research findings, interests, etc.

PROVIDE MORE OPPORTUNITIES FOR MEMBER INVOLVEMENT

The Academy should pay particular attention to making available more opportunities for members to get involved in the Academy. In addition, thought should be given to how to reward a member after he or she has contributed to the organization.

ENHANCE SERVICE TO MEMBERS

The Academy should investigate additional ways that it can better serve its members, such as holding seminars before the annual meeting or holding special seminars and workshops at The Accounting History Research Center and The Tax History Research Center. It is suggested that a Program Committee be established. The Academy should also participate in the professional programs of leading academic and professional organizations such as the national and regional meetings of the AAA, meetings of the AICPA, NAA (national and local chapters), and FEI. To assist in these undertakings, the appointment of regional chairpersons (and members) might be helpful. Boundaries of the regions might be established along the lines of those established for AAA regional groups.

The above theme also might be extended internationally. For instance, chairs or directors (and members) could be appointed for defined international boundaries (e.g., Australia, Japan, West Germany) who would then undertake activities to involve the Academy in appropriate meetings of academic and professional organizations in their respective area. In addition, the Academy might invite participants (or commission papers) from other countries (such as those from non-English-speaking countries) to our annual meetings. This would add an important dimension to the Academy because some of the work that has already been done in other countries may have a

substantial impact on current work being done in the United States.

IMPROVE COORDINATION/ COMMUNICATION WITH OTHER HISTORY GROUPS

Efforts should be undertaken to identify other historical groups that could be of assistance to the Academy and vice versa. Such groups might include the Economic and Business Historical Society and/or the history departments of universities that conduct various workshops or hold various conferences.

ENHANCE PRESENCE OF ACCOUNTING HISTORY RESEARCH CENTER

It is recommended that The Accounting History Research Center position itself to better save and enhance accounting history research. The Center might serve the general accounting population by being a resource (data base) for such research. It might also serve Academy members by holding workshops, seminars, etc. at least once every year or two on accounting history issues such as historical methodology, oral history, etc. Promotion of the Center is important in order that others might be made aware of its existence which will hopefully increase its utilization. Members of the Academy might be kept informed of its activities through the *Accounting Historians Notebook*.

The Center should continue to house the archival materials of the Academy. An archivist should be appointed who would collect all documents, correspondences, and other materials relating to the Academy, and maintain and catalog them. This would require that an information system be established to ensure that proper materials are maintained and filed by each committee, officer, etc. and that appropriate copies (carbons) are sent

to others in the system. The archivist also would make sure that complete and up-to-date archival materials on the Academy are properly maintained in the Accounting History Research Center.

ENHANCE THE PRESENCE OF TAX HISTORY RESEARCH CENTER

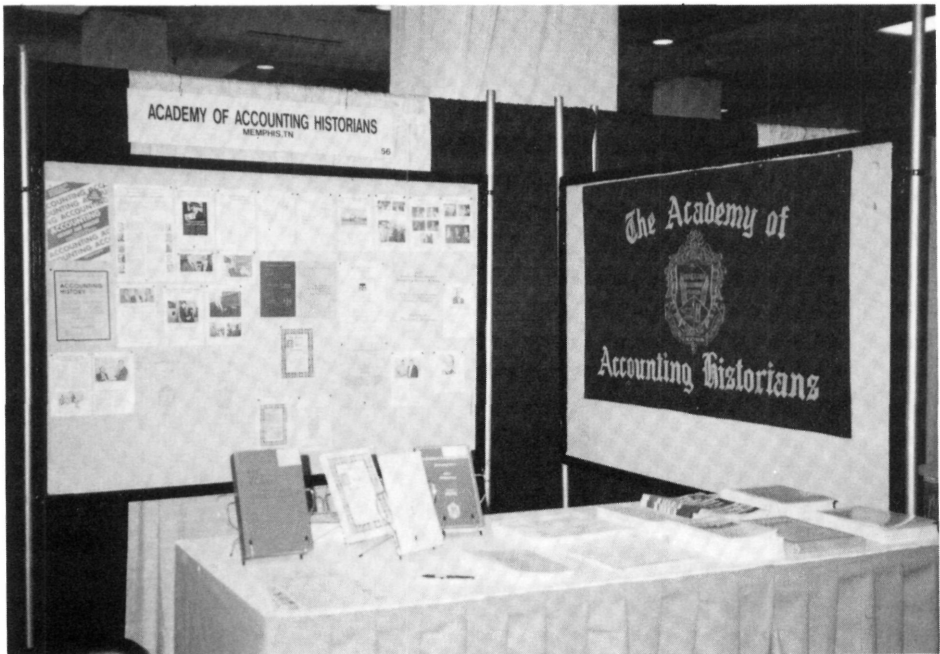
The Tax History Research Center was established to serve Academy members and to enhance historical tax research. While the emphasis is naturally on tax history research, The Tax History Research Center might undertake activities (e.g., seminars and workshops) similar in nature

to those conducted by The Accounting History Research Center.

Committees and Task Forces

In order to assist with the achievement of the objectives set out above, the Board of Trustees shall establish standing committees. The president of the Academy will appoint special committees and task forces. The membership of all committees and task forces will be nominated by the president and all committees and task forces will report to the president each year.

The Board of Trustees



Academy Booth at AAA Meeting in Toronto

COMMITTEE REPORTS

August, 1990

The following committee reports were submitted at the meeting of the officers and trustees and the annual business meeting of The Academy in Toronto, Canada on August 8-9, 1990. In some cases, the reports have been summarized.

BOOK REVIEWS — THE ACCOUNTING HISTORIANS JOURNAL

Nine book reviews have been submitted to the Editor of *TAHJ* for publication in the Spring, 1990 issue. Six additional reviews are now in hand for the Fall, 1990 issue; six more are still in process. The supply of books to be reviewed is dwindling. Anyone with knowledge of any interesting titles should notify the editor.

Editor: Patti A. Mills

WORKING PAPER SERIES

The following summarizes the manuscript activity for the past year:

Manuscripts received	8
Reviewed and rejected	4
Currently under review by Editorial Board	3
Accepted for publication	1

The editor has received the following numbers of Working Paper Collections:

Volume 1	40 copies
Volume 3	260 copies
Volume 4	430 copies

Subsequent shipments include: 5 copies of Volume 1; 4 copies of Volume 3 and 11 copies of Volume 4. Volume 2 has been sold out.

Editor: Horace R. Givens

ACCOUNTING HISTORY RESEARCH CENTER

AHRC has continued to receive archival materials from the Federation of Schools

of Accountancy, and work has continued to file these materials. No other materials have been received since the last report.

Due to a scheduled relocation of the School of Accountancy, little effort has been made to begin the long delayed project of cataloging the holdings of the AHRC. Plans are to catalog the holdings as part of the move in the Fall Quarter, 1990. Due to limited space, it is likely that efforts will be made to reduce the number of duplicate copies of selected publications.

Tax materials contributed by Price Waterhouse have been shipped to the Tax History Research Center.

Directors: Elliott L. Slocum
A.R. Roberts

MONOGRAPH SERIES

1. Festschrift in honor of Paul Garner

Tentative title: *"The Costing Heritage: Studies in Honor of Paul Garner"*

Two tributes plus twenty papers were submitted. Two tributes and nine papers were accepted; nine papers were rejected, and two returned for possible resubmission.

Two Tributes:

H. Thomas Johnson, "A Tribute to Paul Garner"

Guo Daoyang, "Paul Garner and China"

Papers:

Richard Fleischman, Lee Parker, and Wray Vamplew, "New Cost Accounting Perspectives on Technological Change in the British Industrial Revolution"

G.A. Lee, "Colliery Accounting in Sixteenth-Century England: The Willoughbys of Wollaton, Nottinghamshire"

Murray Wells, "The Nature of Activity Costing"

Yoshiro Kimizuka, "Evolution of Japanese Cost Accounting to 1945"

Basil Yamey, "The Earliest Book on Industrial Accounting"

Richard Mattessich, "Counting, Accounting, and the Input-Output Principle: Recent Archaeological Evidence Revising Our View of the Evolution of Early Record-Keeping"

W.T. Baxter, "Early Critics of Costing: LSE in the 1930s"

Dieter Schneider, "The Concept of Proceeds and Cost in Roman Law and Its Effects"

R.H. Parker, "Misleading Accounts? Pitfalls for Historians"

Approximately thirty-five referee reports were returned. Transfer of copyright has been requested for tributes and papers accepted. Production will begin as soon as all revisions are complete.

2. Roger Motyka's annotated bibliography of works on accounting in prerevolution Russia is with the second reviewer, who reports by phone that he will recommend publication. The reviewer currently is proof-reading all Russian titles. Bob Parker originally identified this manuscript as one the Academy might be interested in, and one reviewer has already recommended publication. I recommend that the Academy publish 300 to 500 copies from camera-ready copy.

3. I am in possession of Edward Peragallo's translation of a fourteenth century Italian ledger. I have requested transfer of copyright from his estate, although evaluation is incomplete.

Editor: Finley Graves

CLASSIC REPRINT SERIES

Two new items were added to the series in 1990. Baxter's (1950) *Studies in Accounting* and Spacek's (1986) *The*

The Accounting Historians Notebook, Fall, 1990

Development of Arthur Andersen & Co. Currently the editor is working with Richard Brief, the Garland Reprint Series editor, in an attempt to secure a complete run of the publication *Accountics* Volume 1 (April 1897) through Volume VII (September 1900).

Editor: Gary John Previts

NORTH AMERICAN RESEARCH COMMITTEE

The following items were considered by the Committee members:

1. Committee members have made numerous suggestions for new awards and fellowships. Of these, the following appear to have the greatest support. Note that possible overlaps with current awards have not been considered.

a. Competitive manuscript award (both undergraduate and graduate).

b. Award for historical analysis in the current literature.

c. Seminal contribution award for a paper or series of works that have made a lasting contribution.

d. Historical manuscript discovery award.

e. Foreign translation award.

f. Award for dissertation using archival materials.

g. Subsection awards.

2. A short list of North American research conferences has been compiled. Alan Richardson is pursuing the idea of an accounting history component at the 1991 Canadian Academic Accountants' Conference; Stan Salvary, the possibility of AAH involvement in the Economic and Business History Society conferences.

3. Esteban Hernandez Esteve of the Bank of Spain has written, indicating that he intends to issue a European call for papers shortly. A call for papers in the United States and Canada will go out shortly. Ways to make the project known among South American universities and

accounting associations have yet to be addressed.

Official Academy involvement in the publication still needs to be clarified.

Chairperson: Patty A. Mills

INTERNATIONAL RESEARCH TASK FORCE

The International Research Task Force was charged with developing a strategy to foster comparative studies of an international nature. Specifically, the task force was asked to examine the feasibility of the Academy sponsoring one or more international research conferences in 1991. Task force members were asked for suggestions of ways in which the Academy could better serve members in their country and foster cooperative efforts among accounting historians of different nationalities and viewpoints. The following is a summarization of their responses:

I. Conferences Which Might Be Receptive to Offering an Accounting History Session:

- a. Reserve a session for Accounting History at each International Congress of Economic History. During 1990, a Congress will be held at Leuven, Belgium. Conferences are held by this group approximately every two years.
- b. Encourage Academy members to submit papers to the European Accounting Association Congress. This is held annually. In 1991, the conference will be held at the University of Limburg in Maastricht, the Netherlands. Some accounting history papers with an international orientation have been presented each year.
- c. Sponsor an Accounting History session at the Annual Conference of the Accounting Association of Australia and New Zealand (AAANZ). In July, 1991, this con-

ference will be located in Brisbane, Queensland. Suitable international contributions would be welcomed by the organizers of the AAANZ conference. Temporary membership in the AAANZ may be necessary. The AAANZ has a special interest group on accounting history.

- d. Investigate the possibility of whether any of three conferences being held in German-speaking countries might be receptive to including a history session with an international theme. The conferences are:

1. The session of the Committee of Accounting within the "Verein fur Sozialpolitik" which will take place in Hanover in 1991. This group is composed of about 20 active members who are the stars of accounting research in German-speaking countries.
2. The session of the Committee of Accounting within the "Verband der Hochschullehrer fur Betriebswirtschaft" - the association of university teachers of business economics and related fields. Although the Committee officially has approximately 200 members, participation in the past has ranged from 5 to 20 members.
3. The annual conference of the "Verband der Hochschullehrer fur Betriebswirtschaftslehre e.V." to be held in 1991 in Linz, Austria. The conference theme is "Information Economy in the Corporation". While there is no possibility of sponsoring an accompanying Accounting History session, the conference rooms can be re-

served without any costs.

Note: A special effort must be undertaken to interest German speaking countries in Accounting History.

- e. Adopt a high profile at the Seventh International Conference of the International Association for Accounting Education and Research (IAAER) to be held in Washington in 1992. The IAAER has formally asked the AAA International Section to take responsibility for the conference. Thus, this section could be asked for an identified session which the Academy could organize.
- f. Begin long range planning on ways in which the Academy can best cooperate with the European Accounting Association in their planned celebration of the 500th anniversary of Pacioli's Summa to be held in Venice in 1994. The Academy could request that it be allocated an identified session at the conference.

II. Periodic International Conferences Sponsored or Co-Sponsored by the Academy

- a. Hold an international conference in either Christchurch, New Zealand, at the University of Canterbury, or at the National Convention Centre in Canberra, Australia. The conference could be organized under the co-sponsored of the Academy, the International Accounting Standards Committee, and the professional bodies in Australia and New Zealand. This might prove difficult due to the level of local

interest in accounting history and the location.

- b. Co-sponsor a biannual conference with the related historians of finance and business. Such a conference could be situated in towns and cities with historical attractions and resources.
- c. Accept as one of the Academy missions the periodic organization of an International Conference on Accounting History.

III. Suggested Themes for an International History Conference

- a. International accounting harmonisation.
- b. Origins of accounting in all countries. This could include a comparison of the first accounting books utilized, the development of textbooks, reference books and periodicals, the role of early Accounting Congresses in the dissemination of accounting information, and an analysis of early commercial documents.
- c. An international comparison of the development of the accounting profession in each country. The conference could cover the areas of practice in public, private, and governmental institutions, the history of professional bodies, and the history of regulation by statute, government decree, or professional pronouncements.
- d. Significant contributions to accounting thought by theoreticians world-wide.
- e. The antiquarian versus the non-antiquarian approach to accounting history.
- f. The development of accounting education.

- g. Accounting history in the classroom.
- h. Tax problems today and in accounting history.
- I. The historical role of accounting measurement and disclosure within the context of the broader financial market.

IV. Possible Manuscript Competitions

- a. A manuscript competition run in conjunction with a particular conference.
- b. A manuscript competition could be an important part of the Academy's strategy.

V. Other Suggestions

- a. The Academy could sponsor the preparation of a list of works of all accounting historians by (a) name of author; (b) date; (c) language; (d) nationality; and (e) subject.
- b. The Academy could maintain a research register including both specified interests and projects in progress.
- c. The Academy could consider creating a fund to which young researchers and those from less well-funded countries could apply to assist them in financing visits needed to conduct joint research.
- d. The Academy could create a Distinguished International Lectureship in Accounting History similar to the one sponsored by the American Accounting Association to encourage the study of accounting history at all levels of the accounting hierarchy.
- e. The Academy could annually recognize an outstanding research paper (during the annual meeting in August) that was published during the last

calendar year. Such a research article award could be in addition to the award currently given for outstanding books dealing with accounting history.

The above represents an abbreviated summary of the suggestions proposed by the Task Force members. The Task Force has made no attempt to rank or judge the relative merits of the various proposals. Further explanation and additional ideas should be forwarded to the Chairperson.

Chairperson: Sarah Reed

ACCREDITATION TASK FORCE

The task force held no meeting and the chair circulated limited correspondence. The task force is monitoring developments related to the AACSB. "Accreditation Project" and the activities of the newly formed Association of Business Colleges and Schools. The activities of these two groups will continue to be monitored by the task force during 1991.

Chairperson: Gary John Previts

SOUTHWEST REGION PhD CONSORTIUM TASK FORCE

The following is a summarization of the proposal forwarded to the Endowment Committee. Detailed planning for the consortium will not begin until it is certain that funding can be obtained. Anyone with thoughts or ideas related to the consortium program should notify the chairman.

The Academy of Accounting Historians proposes a regional doctoral consortium be held in March, 1991, prior to the Southwest meeting of the American Accounting Association in Houston. The objectives will be to examine historical methodology and its use in contemporary accounting research and to demonstrate to future faculty how history can be integrated into the accounting curricula.

The primary purpose of a doctoral consortium is to provide a forum where PhD students (from different institutions), leading academics, and professionals can interact and gain exposure to viewpoints outside their own institutions.

The consortium faculty will examine the use of historical data in contemporary accounting research in order to point out the strengths and weaknesses of the research from an historical perspective. The program will consist of five parts: (1) historical analysis and methodology, (2) an historical analysis of empirical research, (3) accounting history and the profession, (4) theory or doctrine—an analysis of contemporary research, and (5) integrating history into the accounting curriculum. The consortium will be designed to help doctoral students gain an appreciation of historical research and the importance of understanding the past in order to respond to current demands.

Currently, all the PhD granting institutions in Texas, Arkansas, Oklahoma, and Mississippi have provided a verbal commitment to participate in the consortium. Each institution (thirteen) will be invited to send two students and a faculty representative to the program. Additionally, there will be five visiting faculty as presenters.

Individual institutions will be responsible for their participants' (faculty and students) transportation. Lodging and meals would be provided for the participants along with full cost reimbursement for the visiting faculty presenters. A representative of the sponsor will be invited to address the consortium participants as a luncheon speaker.

It is hoped that the consortium will become an annual event in the region; with participation from sub-sections of the American Accounting Association as well as the Academy of Accounting Historians.

Chairperson: Alan G. Mayper

MEMBERSHIP COMMITTEE

In mid-January, 1990, the 36 members of the Academy's Membership Committee began its efforts to obtain new individual members (academics/practitioners and doctoral students) and new institutional affiliates. As of June 30, 1990, the Membership Committee had identified (e.g., by Committee members' names noted on membership applications) 28 new individual members (17 academics/practitioners, 11 doctoral students) and 23 new institutional affiliates.

The Membership Committee was organized so that individuals were assigned to cover all states in the U.S. (except Alaska) and 10 non-U.S. countries. The following incentives relate to the Membership Committee:

- (1) 5 new members, One Academy monograph (#1-#5) of their choice
- (2) 10 new members, Waiver of 1991 dues and one monograph of their choice
- (3) 20 new members, A free room in Toronto for two nights at an AAA convention hotel (conference rate) of their choice during the AAA and Academy meetings in August 1990 or a waiver of two years dues in the Academy and a monograph of their choice

(Note: The incentives above relate to full time individual members or institutional affiliates; student members count 1/2.)

Since the recruiting of new members is an ongoing activity of the Membership Committee, it is expected that more new individual members and institutional affiliates will be obtained by the 1990 Membership Committee before the fiscal year ends December 31, 1990.

Chairperson: Ed Coffman

EDUCATION COMMITTEE

Early in the year, the Committee developed the idea of creating a series of "one-pagers" that might be used in

regular classrooms. These would cover a single historical topic that might be used in teaching accounting. An example might be the origin of the word *mortgage* for use in an intermediate class on liabilities. Ideally one side of the page would have an illustration, a map, or a diagram, of some sort that could form the basis for a transparency. The obverse would have a short teaching note. It is hoped that these might be printed and distributed by one of the national textbook publishers.

Details of what was being suggested were prepared for publication in the Notes. To date, two committee members have responded. Given the enthusiasm with which the original idea was greeted, I expect many other contributions to follow as the summer draws to a close.

I would like to suggest that the project be carried forward into next year. Assuming that the first volume is a success, this might become a standing contribution that the Academy could make to the teaching of history.

Chairperson: Michael F. van Breda

PUBLICITY COMMITTEE

The Committee has a three-part agenda for 1990 which consists of:

1. Preparing news releases on the major events of the Academy not only for those events of this year, but also to the extent plans are formalized for events in following years. Wide distribution of releases. Two sets of news releases are to be prepared; one set in advance of the event announcing the event and a second set after the event has occurred.

2. Campaign to have notices of coming events of the Academy of Accounting Historians placed in those publications who have calendars of accounting events.

3. Experiment with short one or two paragraph descriptions of accounting history events (possibly drawn from Academy publications) to be distributed to various publications, including newspapers, to see if they would be used as "filler" (pieces that are published when publication needs copy for short space).

Chairperson: Thomas J. Burns



And the sun sets on the 1990 meeting of the Academy in Toronto